CHRIS HANI
DISTRICT MUNICIPALITY
SUSTAINING GROWTH
THROUGH OUR PEOPLE

CHDM 2017-2022
FINAL IDP

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MESSAGE BY MUNICIPAL MANAGER

The Municipal Systems Act 32 of 2000 (34) (as amended requires that the Municipality to prepare the IDP and review it on an annual basis. The IDP is prepared in line with five areas of focus that are in line with Functions and Powers. These include the following KPA's:-

- Basic Service Delivery and Infrastructure provision
- Local Economic Development
- Municipal Transformation and Organisational Development
- Financial Management and Viability and
- Good Governance and Public Participation

These Key Performances Areas are measured in order to respond to the demands of the changing circumstances addressing delivery of services to communities of Chris Hani District. Th 2017-2022 IDP is an embodiment of such a process and signals our commitment to governing with the people in discharging our developmental mandate. This IDP 2017-2022 entails the involvement of internal Stakeholder through the Steering Committee and external stakeholder through the IDP Rep Forum. After adoption of the draft IDP further Public Participation kicked in through the IDP Roadshow that were conducted in throught the month of April 2017 in all local Muncipalities, it is the duty of administrative leadership to translate this 2017-2022 IDP into:-

- SDBIP
- KPI into SMART areas
- Link that to Budget

The IDP of 2017-2022 will act as an enabling framework that guides our actions and our allocation of resources and to realise our objectives as a Developmental Local Government. This document will further provide a platform to actively engage with our Stakeholders and to citizen to refine the thinking and strategies through ongoing discussions.

A special word of thanks to the Council, Mayoral Committee, Executive Mayor and Colleagues for their commitment to the IDP process thus far and moving CHDM forward.

Mopo Mene

MUNICIPAL MANAGER

THE EXECUTIVE SUMMARY

Background to this Document

The CHDM Council has adopted an IDP Framework and IDP Process Plann for the development of a 5 year IDP-2017-2022 by the 31 August 2016. By law 5 year IDP has to be reviewd annually to accommodate changes as the world changes, meaning by 2017-2022 will also be reviewed up to the year 2022.
The adopted IDP Processes Plan has to be submitted to MEC COGTA and it must be prepared in fulfilment of the Municipality's legal obligation in terms of Section 32 of the Local Government: Municipal Systems Act 32 of 2000.

In addition to the legal requirement for every Municipality to compile an Integrated Development Plan, the Municipal Systems Act 32 of 2000 also requires that:

- the IDP be implemented;
- the Municipality monitors and evaluates its performance with regards to the IDP's implementation;
- the IDP be reviewed annually to effect improvements.

Section 25 of the Municipal Systems Act deals with the adoption of the IDP and states that:

> "Each municipal council must adopt a single, inclusive and strategic plan for the development of the municipality which –
>
> - links, integrates and co-ordinates plans and takes into account proposals for the development of the municipality;
> - aligns the resources and capacity of the municipality with the implementation of the plan;
> - Forms the policy framework and general basis on which annual budget must be based."

CHDM's Broad Strategic Objectives

In an effort to realise the institutional vision, CHDM has developed 5 Broad Strategic Objective for a period of 5 years and are the ones that were adopted on 2012-2017 IDP and are to continue as such even on the 2017 -2022 IDP as aligned to the National KPA. These are a product of various engagements including Departmental sessions, Institutional Stategic Session held on the 21st February 2017. These are a way of responding to key issues confronting the municipality and as said are aligned to the 5 National KPA's (5 year Local Government Strategic Agenda).

Report outline

The report is structured as follows:

Chapter 1: The Planning Process

This section of the IDP will outlines the planning process with specific reference to the IDP process, and organisational arrangements. This chapter provides the reader with an understanding of the process followed by the Chris Hani District Municipality in compiling the Integrated Development Plan for 2017-2022 financial years.

Chapter 2: The Situational Analysis

This section will provide a detailed situational analysis of Chris Hani District Municipality as informed and guided by the latest STATS SA Community Survey conducted in 2016 which in turn has been augmented to cater for projections of Demographics. Projections flowing from Community Survey 2016 were done by Global Insight and ECCSEC.

Chapter 3: Objectives, Strategies and Projects

This section will provide a concise summary of the Municipal Vision, Mission and Values, and a detailed breakdown of objectives, strategies and project programmes flowing from the Broad IDP Objectives as adopted on 2017-2022 IDP. Inputs discussions and engagements of the strategic session held at Cradock on the 21st – 23rd February 2017 were used as guide to this chapter. All planning frameworks were considered NDP 2010, EC-Vission 2030, Ruling Parties January 08th statement, SONA AND SOPA up to the SODA.

Chapter 4: Spatial Development Framework Analysis

This section will provide a detailed analysis of the District Spatial Development Framework and further takes care of the Enacted SPLUMA, 2016 Municipal boundaries and Dermarcation.

Chapter 5: Sector Plans

This section will provide a list of all CHDM Sector plans for the period 2017-2022 and their status. All sector plans will be reviewed to align to the trm of Council which is 2017-2022.

Chapter 6: Financial Plan

This section will provide the district municipality's financial strategies, budget for the 2017-2020 and the following two outer years, as well as the 3 Year Financial Plan with all relevant financial policies.

Chapter 7: Performance Management System

This section wil provide the legal context of the municipality's performance management system, an overview of the monitoring and evaluation process, a background to the CHDM Performance Management Framework as well as the Balanced Scorecard Model adopted by the district municipality and a process of PMS Cascading to below Section 56/7.

CHAPTER 1:

THE PLANNING PROCESS

The IDP Process

Prior to the commencement of this 2017-2022 IDP, CHDM prepared and adopted a District IDP Framework Plan that served as a guide to the overall process throughout the district, as well as the CHDM IDP/Budget Process Plan. The Council resolutions for the adoption of the District IDP Framework Plan and the IDP/Budget Process Plan as well as for 2017-2022 IDP are attached as Annexures respectively.

- **District IDP Framework Plan**

A District Framework Plan was formulated and adopted by Council on 31st August 2016 to serve as a guide to all of the local municipalities within the CHDM area of jurisdiction, in the preparation of their respective Process Plans. In brief, the District Framework Plan outlines the time frames of scheduled events/activities, structures involved and their respective roles and responsibilities.

- **CHDM IDP/Budget Process Plan**

The IDP/Budget Process Plan was also formulated and adopted by CHDM Council on 31st August 2016. The IDP/Budget Process Plan outlines in detail, the way in which the CHDM embarked on its IDP and Budget processes from its commencement in August 2016 to its completion in June 2017. In brief, the Process Plan outlines the time frames of scheduled events, structures involved and their respective roles and responsibilities. On 31st August 2016, the Chris Hani District Municipality adopted a framework plan for the IDP throughout its area of jurisdiction, followed by a Process Plan. These plans were adopted in accordance with the relevant legal prescripts and have dictated the process to be followed for developing the IDP.

Organisational arrangements were put in place as per the Process Plan and all legislative prescripts were adhered to. Of particular note have been the effective and efficient operations of structures such as the Technical IGR Mangers Forum, District Mayors Forum (DIMAFO), IDP Representative Forum and the IDP Steering Committee. These have executed their mandates in terms of the adopted Process Plan and ensured the achievement of key milestones and deliverables.

During this 2017-2022 IDP development, particular attention was paid to institutional issues, IDP-budget linkage, the maintainance of CHDMs Vision and Mission as well as Values as endorsed on our Strategic Planning Session and given blessings by our communities as these were presented on various platforms and communities given platform to comment and advise on these.

The delivery of services to the community of Chris Hani pays particular attention on Water and Sanitation. An analysis was conducted in respect of various sector plans attached to the CHDM's IDP and some were found to be still relevant and required minor update, others required a reviewal, whilst new ones were developed.

Strict compliance with Regulation 3(5) has been ensured through an ongoing process of consultation between the CHDM and all local municipalities through the operations of the said structures.

Organizational Arrangements

- **CHDM IDP Structures:-** Structures guided the IDP Process within the CHDM:
  - IDP/Budget/PMS Steering Committee
  - Development Coordinating Forum
  - Budget Steering Committee
  - IDP/PMS/Budget Representative Forum
  - Technical IGR Managers' Forum
  - Chief Whips/Speakers Forum
  - District Mayors Forum (DIMAFO)

- **Roles and Responsibilities**

A number of role-players participated in the IDP Process. The role-players together with their respective roles and responsibilities are outlined in the table below.

PERSON/STRUCTURE	ROLES AND RESPONSIBILITIES
Executive Mayor	▪ Manage the drafting of the IDP; ▪ Assign responsibilities in this regard to the Municipal Manager; ▪ Submit the draft Framework Plan and Process Plan to the Council for adoption; ▪ Submit the draft IDP to the Council for adoption and approval; The responsibility for managing the drafting of the IDP was assigned to the Municipal Manager, assisted by the Senior Manager Development Planning.

Municipal Manager / Senior Manager Development Planning	The Municipal Manager had the following responsibilities, assigned to the Senior Manager Development Planning: ▪ Preparation of Framework Plan; ▪ Preparation of the Process Plan; ▪ Day-to-day management and coordination of the IDP process in terms of time, resources and people, and ensuring: ➢ The involvement of all relevant role-players, especially officials; ➢ That the timeframes are being adhered to; ➢ That the planning process is horizontally and vertically aligned and complies with national and provincial requirements; ➢ That conditions for participation are provided; ➢ That the outcomes are documented; and ➢ Organising the IDP Steering Committee Meetings ➢ Ensuring that IDP Rep Forum Meetings are held;
District Mayors Forum (DIMAFO)	The DIMAFO is the institutional structure to monitor alignment and integration of the IDP process between CHDM, its local municipalities, sector departments and parastatal bodies. **Chairperson:** The Executive Mayor of Chris Hani District Municipality **Secretariat:** The secretariat for this function is provided by the Mayors office **Members:** Chairpersons of the IDP Representative Forums from the: • Six Local Municipalities; • Chairpersons of the IDP Steering Committees, (Municipal Manager, Strategic Manager/Senior Manager Development Planning CHDM and LM's IDP Managers) all eight Local Municipalities. • All CHDM Directors,Communications Manager • Representatives from sector departments and parastatals. The DIMAFO is responsible for co-ordinating roles regarding district municipality and local municipalities by: • Ensuring horizontal alignment of the IDPs of the local municipalities in the district area of jurisdiction; • Ensuring vertical alignment between district and local planning; • Facilitation of vertical alignment of IDPs with other spheres of government; and • Preparation of joint strategy workshops with local municipalities, provincial and national role-players. DIMAFO meetings are always preceded by IGR technical committee meetings

Technical IGR Forum	The Technical IGR Forum is the institutional structure to monitor alignment and integration of the IDP process between CHDM, its local municipalities, sector departments and parastatal bodies. **Chairperson:** The Municipal Manager of Chris Hani District Municipality **Secretariat:** The secretariat for this function is provided by the Municipal Managers office. **Members:** • Municipal Managers of local Municipalities; • Chairpersons of the IDP Steering Committees, (Municipal/IDP Managers) from the eight Local Municipalities. • District Managerss within Chris Hani Region from sector departments and parastatals. • Directors of CHDM and Communications Unit The Technical IGR is responsible for co-ordinating roles regarding district municipality and local municipalities by: • Ensuring horizontal alignment of the IDPs of the local municipalities in the district area of jurisdiction; • Ensuring vertical alignment between district and local planning; • Facilitation of vertical alignment of IDPs with other spheres of government; and • Preparation of joint strategy workshops with local municipalities, provincial and national role-players.
IDP/Budget/PMS Steering Committee	The IDP Steering Committee comprised of a technical task team of dedicated officials who supported the Municipal Manager to ensure a smooth planning process. The Municipal Manager was responsible for the process but often delegated functions to the officials that formed part of the Steering Committee. **Chairperson:** Municipal Manager (or Strategic Manager/Director IPED) **Secretariat:** The secretariat for this function is provided by the Planning Unit of IPED **Members:** Heads of Departments (HODs) CHDM Management at large Project Managers Internal audit Communications Unit The IDP Steering Committee is responsible for the following: ▪ Commission research studies; ▪ Consider and comment on:

	▪ Inputs from subcommittee(s), ▪ Inputs from provincial sector departments and support providers. ▪ Process, summarise and draft outputs; ▪ Make recommendations to the Representative Forum; ▪ Prepare, facilitate and minute meetings ▪ Prepare and submit reports to the IDP Representative Forum
IDP/PMS/Budget Representative Forum	**Chairperson:** The Executive Mayor or a nominee **Secretariat:** The secretariat for this function is provided by the Planning Unit and Mayors Office **Membership:** The Representative Forum comprised of CHDM Councillors and staff and its local municipalities, representatives from sector departments, parastatal bodies, NGOs, business fraternity, traditional leaders, and other interested organized bodies.
Service Providers	Service providers were not utilised for this IDP, instead the IPED Planning Unit provided support for the following: ▪ Methodological/technical support on the development of objectives, strategies, projects and programmes. ▪ Budget alignment and other ad hoc support as required; ▪ Coordination of planning workshops as required.

In addition to the structures reflected in the table above, the following structures/consultations were also involved:

1.2 **Schedule of Meetings**

The outline of the public participation process with specific reference to meetings and workshop dates of the various role players are reflected in the table below.

CHDM ACTION PLAN **PARTICIPATION STRUCTURES & MEETING DATES**	
IDP Advert calling Stakeholders	15 July 2016
IDP Steering Committee (pre-planning and review implementation)	18 August 2016
Mayoral Committee Meeting tol look on IDP Process Plan	
Technical IGR Meeting	23 August 2016
IDP Steering Committee	Sept 2016
DIMAFO	
IDP/PMS/Budget Representative Forum [district-wide development priorities]	29 September 2016
District Wide IDP Engagements	29 September 2016
Technical IGR	16 November 2016
IDP Steering Meeting	10 November 2016
DIMAFO	23 November 2016
IDP Rep Forum	24 November 2016
IDP Steering Meeting	16 January 2017
Budget Session with directorates	13 January 2017
Strategic Planning session (mid-year term review and strategic goals)	21-24 February 2017
IDP Representative Forum	14 March 2017
Technical IGR with Sector Depts Managers	15 February 2017
DIMAFO	07 March 2017
IDP Steering Meeting	09 March 2017
Refinement of Obj- Strategies and Budget	13 March 2017
Council approval of the draft IDP & Budget	22 March 2017
IDP/ Budget road shows (public presentation hearings at LMs)	04 -06 April 2017
IDP/Budget Steering Committee to incorporate inputs into the IDP Roadshows	08 May 2017
Mayoral Committee	12 May 2017
Technical IGR/IDP Alignment session	03 May 2017
DIMAFO	31 May 2017

IDP Rep Forum	11 May 2017
Council Meeting (Final Adoption of IDP & Budget)	24 May 2017

2017-2022 DRAFT IDP and BUDGET ROADSHOWS

The outline of the Public Participation Process with specific reference to transparency and community involvement during the 2017- 2022 IDP development process.

Date	Time	Municipality	Town/Venue
	10:00	**Emalahleni**	Cacadu Town Hall
	10:00 ;	**Intsika Yethu**	Cofimvaba
	10:00	**Engcobo**	Engcobo Town Hall
	10:00	**Sakhisizwe**	Cala Town Hall
	10:00	**Inxuba Yethemba**	Vusubuntu Cradock
	10:00	**Enoch Mgijima**	Thobi Kula Sports Centre

1.4 Relevant Documents

The following documentation should be read with the IDP:

- Municipal Systems Act and relevant regulations
- IDP Guide Pack, with specific reference to Guide 3 and Guide 6
- District IDP Framework Plan
- CHDM IDP/Budget Process Plan
- CHDM IDP (2012 - 2017)
- Various sector plans and programmes
- Category B IDP's (2017 - 2022)
- Performance Management Framework (2014)
- Eastern Cape Vission 2030

- National Development Plan 2030

1.5 Alignment with National and Provincial Programs

The following National programs informed the IDP Process:

- State of the Nation Address (SONA)
- National Development Planning 2030
- State of Local Government in South Africa
  - Municipal Demarcation Board Reports 2015
- COGTA : Local Government Turnaround Strategy (LGTAS)
- COGTA : Operation Clean Audit 2014
- Powers & Functions :
  - Municipal Demarcation Board
  - Local Government MEC
- ANC Manifesto (2009, 2011, 2014-2016)
- ANC January 8th Statement (2013-2017)
- King III & IV Report, Code on Good Governance for South Africa

CHDM has adopted that 2017/2022 as period of service delivery and year of the Masiphathisane as adopted by Eastern Cape Cabinet. CHDM acknowledged that though we work 'Harder', we don't work 'Smarter'. CHDM thus concur with the Masiphathisane as pronounced by the Premier of the Eastern Cape Province. "***SIBEMANXADANXADA"*** with the War Room Approach.

The National Development 2030 mentions that South Africa can eliminate poverty and reduce inequality by 2030 and this will require change, hard work, leadership and unity. Its goal is to improve the life chances of all South Africans, but particularly those young people who presently live in poverty. The plan asks for a major change in how we as government in general we go about our lives. In the past, we expected government to do things for us. What South Africa needs is for all of us to be active citizens and to work together – government, business, communities – so that people have what they need to live the lives they would like. On compiling this 2017-2022 IDP the NDP 2030 has been taken into consideration and aligned to a great extent.

The following table below depicts how CHDMs 5 key performance areas are aligned with the national and provincial programs:

Key Performance Areas	**Manifesto 2014**	**10 National Priorities**	**8 Provincial Priorities**	**12 Outcomes**
Good Governance and Public Participation	5. Fight against crime and corruption	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all
		Build cohesive, caring and sustainable communities	Building cohesive and sustainable communities	9. Responsive, accountable, effective and efficient Local Government system
		Pursuing African advancement and enhanced international co-operation		12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship
		Building a developmental state including improvement of public services and strengthening democratic institutions		11. Create a better South Africa, better Africa and a better world
Municipal Financial Viability and Management	5. Fight against crime and corruption	Intensifying the fight against crime and corruption	Intensify the fight against crime and corruption	9. Responsive, accountable, effective and efficient Local Government system
Municipal Transformation and Institutional Development	5. Fight against crime and corruption	Strengthen skills and human resource base	Strengthen education, skills and human resource base	1. Quality basic education
	2. Education	Pursuing African advancement and enhanced international co-operation		5. Skilled and capable workforce to support an inclusive growth path
		Building a developmental state including improvement of public services and strengthening democratic institutions		3. All people in SA are and feel safe
				9. Responsive, accountable, effective and efficient Local Government system

				12. An efficient, effective and development oriented public service and an empowered, fair and inclusive citizenship
Basic Service Delivery and Infrastructure Investment	3. Health	Improve health profile of the nation	Improve the health profile of the province	6. An efficient, competitive and responsive economic infrastructure network
		Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, land and agrarian transformation, and food security	2. A long and healthy life for all South Africans
		Massive programme to build economic and social infrastructure	Massive programme to build social and economic and infrastructure	8. Sustainable human settlements and improved quality of household life
		Sustainable resource management and use	Building a developmental state	10. Protect and enhance our environmental assets and natural resources
Local Economic Development	1. Creation of decent work and sustainable livelihoods	Speeding up economic growth & transforming economy to create decent work and sustainable livelihoods	Speeding up growth & transforming the economy to create decent work and sustainable livelihoods	4. Decent employment through inclusive economic growth
	4. Rural development, food security and land reform	Comprehensive rural development strategy linked to land and agrarian reform & food security	Rural development, landand agrarian transformation, and food security	6. An efficient, competitive and responsive economic infrastructure network
			Massive programme to build social and economic and infrastructure	7. Vibrant, equitable, sustainable rural communities contributing towards food security for all
			Building cohesive and	8. Sustainable human settlements

			sustainable communities	and improved quality of household life
			Building a developmental state	10. Protect and enhance our environmental assets and natural resources

CHAPTER 2

This chapter provides a detailed summary of the Chris Hani District Municipality Situational Analysis as guided by the official statistics as released by STATS SA Community Survey of 2016 and Global Insight IHS Projections 2017 as well as ECSECC 2014 CHDM Socio-Economic Profile.

2.1 ANALYSIS OVERVIEW

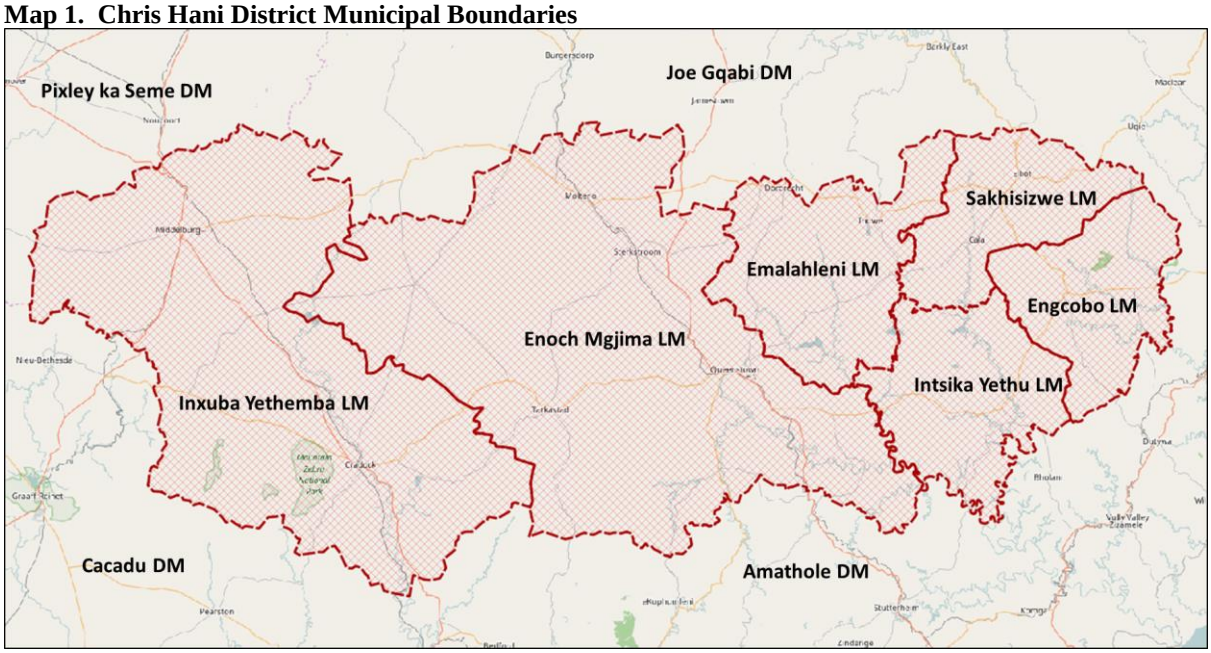
2.1.1 Introduction

1. Spatial Overview

Chris Hani District Municipality is situated on the northern region of the Eastern Cape Province and covers a surface area of 36,756 Km^2. Only 35.2% of the district population live in areas classified as urban, while 63.8% live in predominantly rural areas. The district also shares borders with five other districts, namely, Pixley ka Seme DM, Joe Gqabi DM, Sarah Baartman DM, Amathole DM and O.R. Tambo DM.

After the 2016 Local Government Election (3 August 2016), the number of local municipalities decreased from eight to six with the merger of Tsolwana LM, Inkwanca LM and Lukanji LM into a newly established municipality, Enoch Mgijima LM, which also hosts the district municipal headquarters and council chambers in Queenstown.

Map 1. Chris Hani District Municipal Boundaries



Source: IHS Markit GIS & Municipal Demarcation Board, 2016

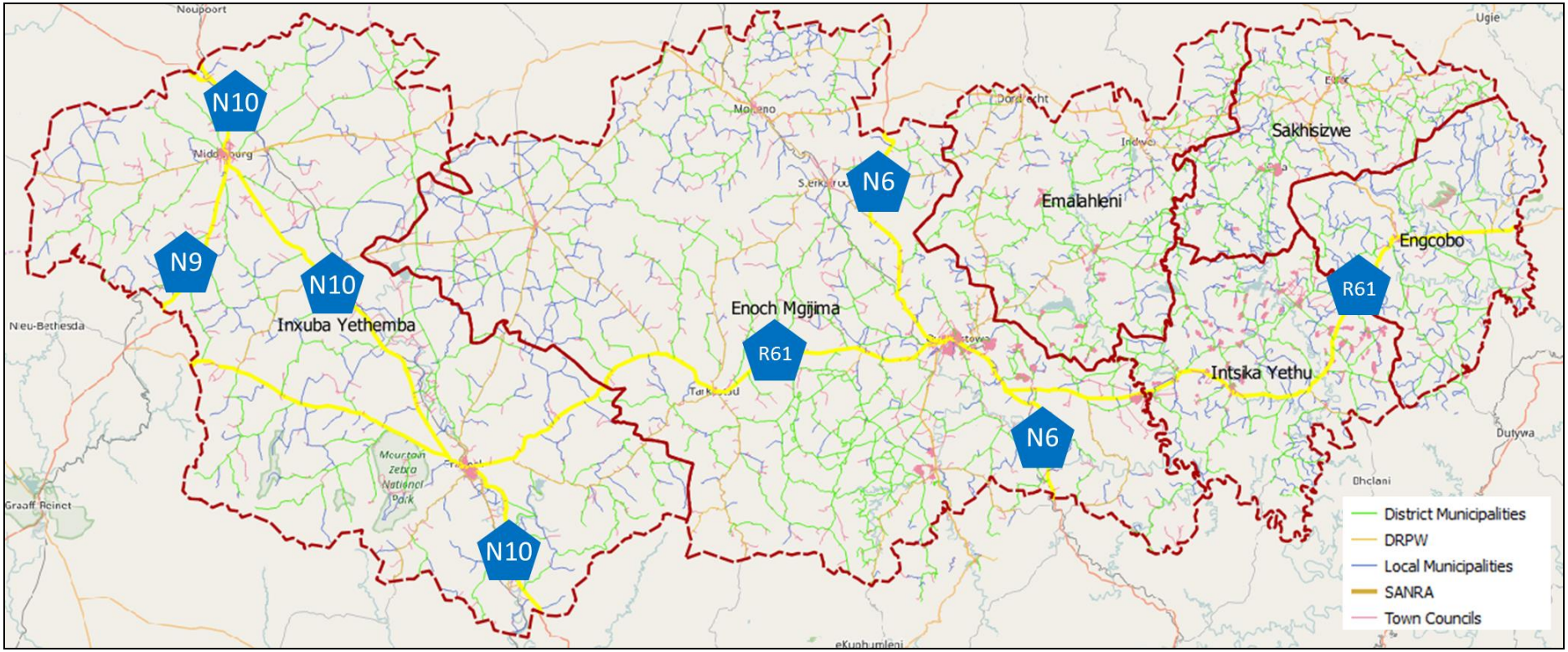
The following list presents the six LMs of the district with their urban nodes:

- **Inxuba Yethemba LM:** Cradock and Middleburg.
- **Enoch Mgijima LM:** Queenstown, Whittlesea, Tarkastad, Molteno and Hofmeyer.
- **Emalahleni LM:** Cacadu (Lady Frere), Dordrecht and Indwe.
- **Intsika Yethu LM:** Cofimvaba and Tsomo.
- **Sakhisizwe LM:** Cala and Elliot.

- **Engcobo LM:** Engcobo.

The CHDM has an extensive network of roads comprising out of National and Regional roads. The district lies on the intersections of the N6 from East London through Queenstown to Aliwal North, R61 from Queenstown through Cofimvaba via Engcobo to Mthatha, N10 from Middelburg through Cradock to Aliwal North.

Map 2. Chris Hani DM ROad INfrastructure



Source: IHS Markit GIS & Chris Hani DM, 2016

The highest concentration of roads are situated around the Queenstown region in accordance with the high population density, extensive residential areas and proximity to large service centres.

2. DEMOGRAPHIC PROFILE OF THE DISTRICT

In this section, an overview is provided of the demography of the Chris Hani District Municipality and all its neighbouring regions, the Eastern Cape Province and South Africa as a whole. This section will also provide population distributions across race, age and gender as well as an indication of population densities and various household dynamics.

2.1 Population Levels

Population statistics are important when analysing an economy, as the population growth both directly and indirectly affects employment and unemployment, as well as other economic indicators such as economic growth and per capita income.

TABLE 1. Total population - Chris Hani, Eastern Cape and National Total, 2005-2015 [Numbers percentage]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2005	807,000	6,440,000	47,200,000	*12.5%*	*1.71%*
2006	804,000	6,450,000	47,800,000	*12.5%*	*1.68%*
2007	802,000	6,470,000	48,400,000	*12.4%*	*1.66%*
2008	803,000	6,500,000	49,100,000	*12.4%*	*1.64%*
2009	806,000	6,540,000	49,800,000	*12.3%*	*1.62%*
2010	810,000	6,600,000	50,700,000	*12.3%*	*1.60%*
2011	813,000	6,650,000	51,500,000	*12.2%*	*1.58%*
2012	816,000	6,710,000	52,400,000	*12.2%*	*1.56%*
2013	821,000	6,780,000	53,200,000	*12.1%*	*1.54%*
2014	827,000	6,850,000	54,100,000	*12.1%*	*1.53%*
2015	834,000	6,930,000	54,900,000	*12.0%*	*1.52%*
2016	840,000	6,996,000	55,653,000	*12.0%*	*1.50%*
Average Annual growth					
2005-2015	***0.34***%	***0.74***%	***1.51***%		

Source: IHS Global Insight Regional eXplorer version 1029

With 840 000 people, the Chris Hani District Municipality has 1.5% of South Africa's total population in 2016. Between 2011 and 2016 the population growth averaged 0.8% per annum which is lower than the growth rate of South Africa as a whole (1.51%). When compared to other regions, Chris Hani District Municipality accounts for 12% of the total population in Eastern Cape Province.

TABLE 2. Total population - local municipalities of Chris Hani District Municipality, 2005, 2010 and 2015 [Numbers]

	2005	2011	2016
Inxuba Yethemba	62,900	65,740	70,490
Intsika Yethu	155,000	151,700	152,160
Emalahleni	118,000	120,900	124,530

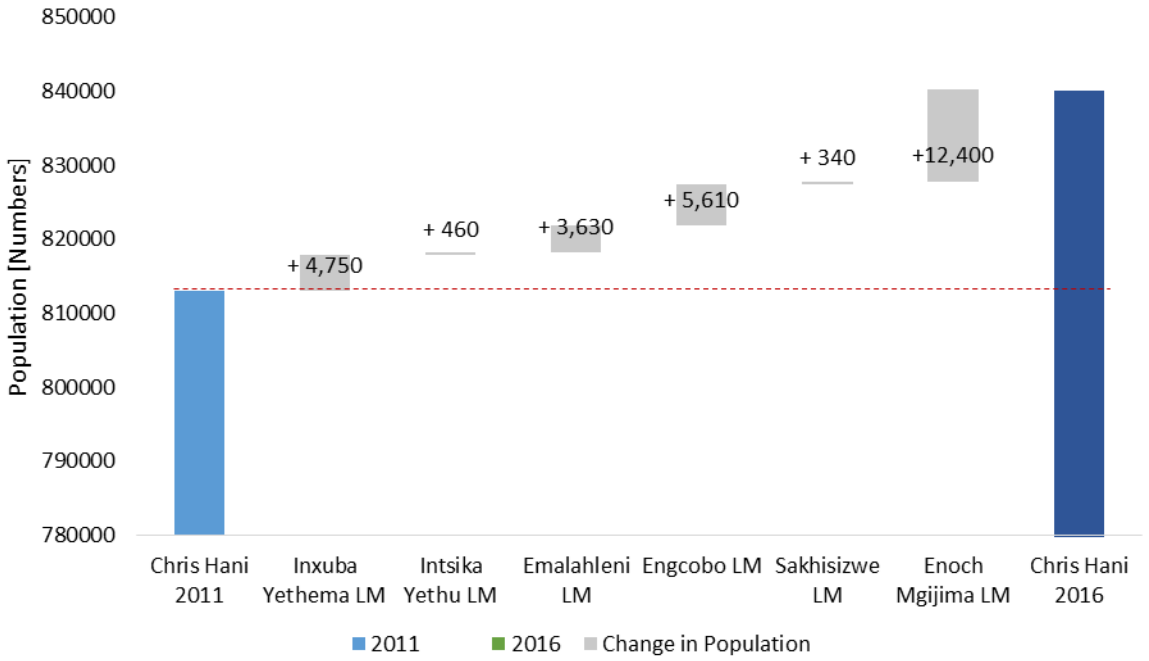
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	2005	2011	2016
Engcobo	159,000	156,400	162,010
Sakhisizwe	66,600	63,500	63,840
Enoch Mgijima	245,000	254,600	267,000
Chris Hani	806,600	809,660	840,050

Source: IHS Global Insight Regional eXplorer version 1029

In terms of the absolute numbers, Enoch Mgijima had the largest population according to the Community Survey 2016 of 267,000 residents and represents 32% of the districts total population. The population of Inxuba Yethemba local municipality experienced highest average annual growth rate of 0.9% while Enoch Mgijima had the second highest growth in terms of its population, with an average annual growth rate of 0.8%.

CHART 1. POPULATION CHANGE BETWEEN 2011 AND 2016, BY MUNICIPALITY [NUMBERS]



Source: IHS Global Insight Regional eXplorer version 1029

Between 2011 and 2016, the largest contributions to population growth can be attributed to Enoch Mgijima while the nett population growth of Intsika Yethu and Sakhisiwe contributed the least. Small population sizes and dispersion over vast areas are both a curse and a blessing.

2.2 Population by Population Group, Gender and Age

The total population of a region is the total number of people within that region measured in the middle of the year. Total population can be categorised according to the population group, as well as the sub-categories of age and gender. The population groups include African, White, Coloured and Asian, where the Asian group includes all people originating from Asia, India and China. The age subcategory divides the population into 5-year cohorts, e.g. 0-4, 5-9, 10-14, etc.

TABLE 3. Population by gender - Chris Hani and the rest of Eastern Cape Province, 2015 [Number].

	Male	Female	Total
Chris Hani	400,000	434,000	834,000
Enoch Mgijima	128,000	138,000	266,000
Inxuba Yethemba	33,400	35,500	68,900
Intsika Yethu	73,600	78,800	152,000
Emalahleni	59,700	64,100	124,000
Engcobo	74,300	84,500	159,000
Sakhisizwe	31,300	32,800	64,100
Eastern Cape	**3,300,000**	**3,630,000**	**6,930,000**

Source: IHS Global Insight Regional eXplorer version 1029

Chris Hani District Municipality's male/female split in population was 92.3 males per 100 females in 2015. The Chris Hani District Municipality appears to be a fairly stable population with 52% of the population being female, which is higher compared to the national average of 51% female population. In total there were 434 000 (52.00%) females and 400 000 (48.00%) males.

TABLE 4. Population by population group, Gender and Age - Chris Hani District Municipality, 2015 [Number].

	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
00-04	46,000	47,500	427	432	1,710	1,680	98	85
05-09	45,200	47,200	433	498	1,660	1,600	61	56
10-14	38,900	41,300	524	425	1,650	1,560	47	57
15-19	33,900	38,000	440	437	1,400	1,530	59	49
20-24	35,900	38,500	375	387	1,460	1,520	62	143
25-29	33,100	36,600	529	545	1,420	1,290	76	243
30-34	28,000	28,600	532	500	1,250	1,070	80	181
35-39	21,200	20,900	547	522	1,100	1,050	56	125
40-44	16,500	11,700	533	565	1,090	988	60	114
45-49	16,400	9,360	613	566	877	973	44	60
50-54	18,600	10,400	669	660	824	774	30	50
55-59	19,200	11,100	620	611	781	666	39	27
60-64	15,600	10,100	546	484	657	555	40	33
65-69	12,300	8,990	455	451	485	376	9	18

	African		White		Coloured		Asian	
	Female	Male	Female	Male	Female	Male	Female	Male
70-74	11,500	7,590	323	341	355	225	9	9
75+	15,500	7,440	520	369	362	187	22	16
Total	**408,000**	**375,000**	**8,080**	**7,790**	**17,100**	**16,100**	**793**	**1,260**

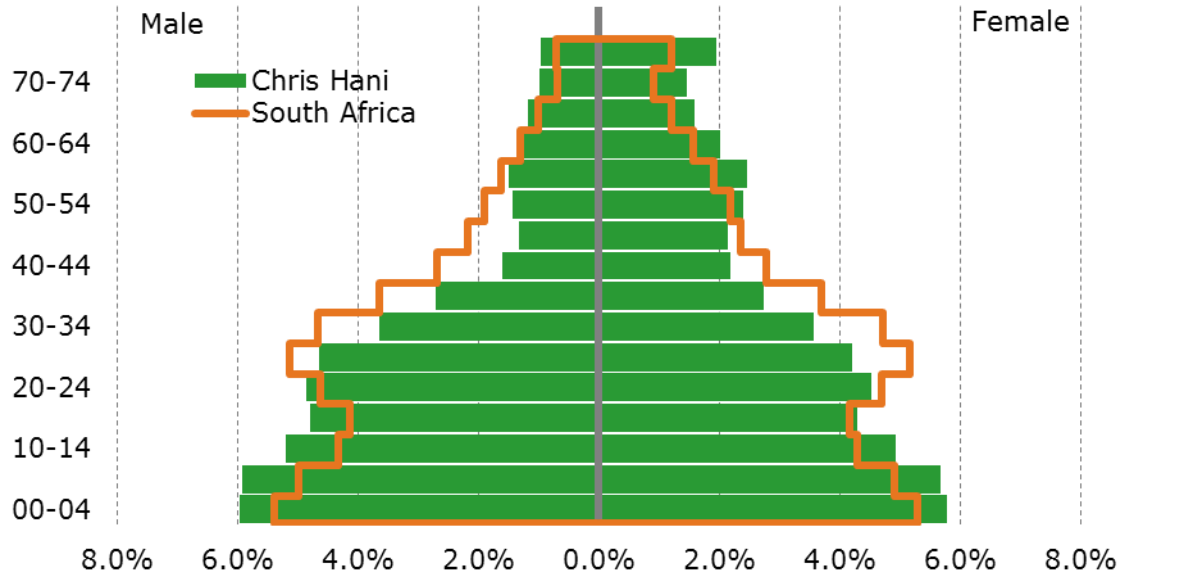
Source: IHS Global Insight Regional eXplorer version 1029

In 2015, the Chris Hani District Municipality's population consisted of 93.87% African (783 000), 1.90% White (15 900), 3.97% Coloured (33 200) and 0.25% Asian (2 060) people.

2.3 Population Structure

The chart below compares Chris Hani's population structure of 2015 to that of South Africa. The largest proportion of the population consists of babies and children younger than 14 years old, with a total number of 279 000 or 33.5% of the total population. The age category with the second largest number of people is the young working age (25-44 years) age category with a total share of 25.3%, followed by the teenagers and youth (15-24 years) age category with 154 000 people. The age category with the least number of people is the retired / old age (65 years and older) age category with only 67 800 people, as reflected in the population pyramids below.

CHART 2. POPULATION PYRAMID - CHRIS HANI DISTRICT MUNICIPALITY VS. SOUTH AFRICA, 2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

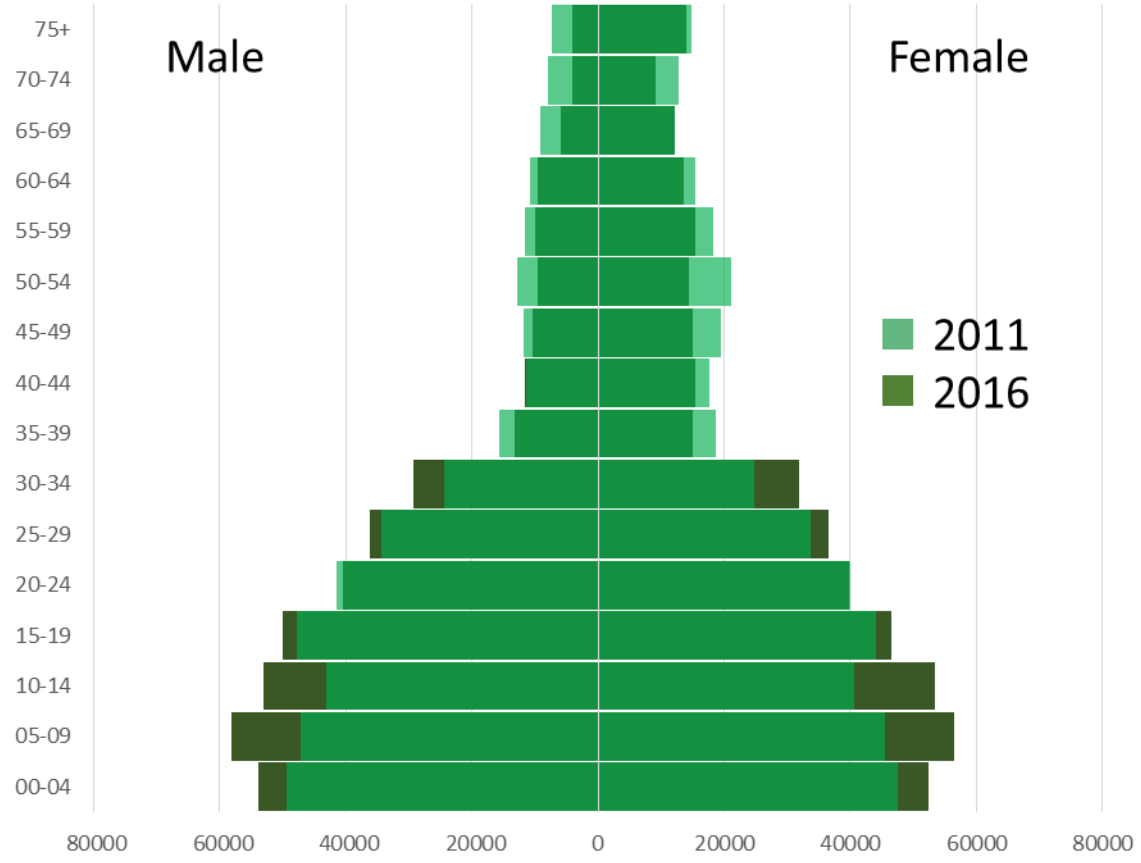
By comparing the population pyramid of the Chris Hani District Municipality with the national age structure, the most significant differences are:

- There is a significant smaller share of young working age people - aged 20 to 34 (25.4%) - in Chris Hani, compared to the national picture (29.0%).
- The area seems to be a migrant sending area, with many people leaving the area to find work in the bigger cities.
- The fertility rate in Chris Hani is slightly higher compared to South Africa as a whole.

- The share of children between the ages of 0 to 14 years is significantly larger (33.5%) in Chris Hani compared to South Africa (29.2%). Demand for expenditure on schooling as percentage of total budget within Chris Hani District Municipality will therefore be higher than that of South Africa.

Definition: A population pyramid is a graphic representation of the population categorised by gender and age, for a specific year and region. The horizontal axis depicts the share of people, where the male population is charted on the left-hand side and the female population on the right-hand side of the vertical axis. The vertical axis is divided in 5-year age categories.

CHART 3. POPULATION PYRAMID - CHRIS HANI DISTRICT MUNICIPALITY, 2011 VS. 2016 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029 & Stats SA Community Survey 2016

Comparing the 2011 with the 2016 Community Survey results for Chris Hani District Municipality, interesting differences are visible:

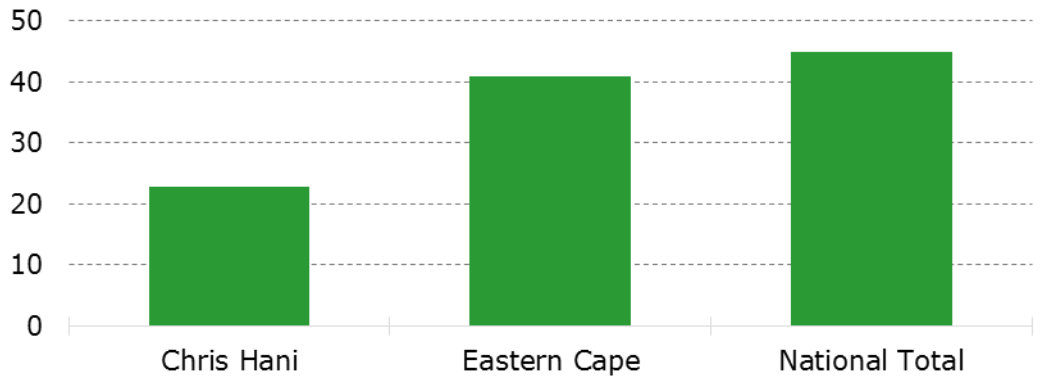
- In 2011, there were a larger share of people aged 35 to 54 (15.8%) - compared to 2016 (12.4%).
- The share of children between the ages of 0 to 14 years is significantly larger in 2016 (38.9%) compared to 2011 (33.6%).

With much higher levels of youth in 2016 compared with 2011, the population structure of CHDM is indicating a youth bulge. The youth bulge is a common phenomenon in many developing municipalities. It is often due to a stage of development where a region achieves success in reducing infant mortality but mothers still have a high fertility rate. The result is that a large share of the population is comprised of children and young adults. This trend will see a further increase in the labour force population of the district.

2.4 Population Density

Definition: Population density measures the concentration of people in a region. To calculate this, the population of a region is divided by the area size of that region. The output is presented as the number of people per square kilometre.

CHART 4. POPULATION DENSITY - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2015 [NUMBER OF PEOPLE PER KM]



Source: IHS Global Insight Regional eXplorer version 1029

In 2015, with an average of 22.9 people per square kilometre, Chris Hani District Municipality had a lower population density than Eastern Cape (41 people per square kilometre). Compared to South Africa (45 per square kilometre) it can be seen that there are less people living per square kilometre in Chris Hani District Municipality than in South Africa.

TABLE 5. Population density - Enoch Mgijima and the rest of Chris Hani, 2005-2015 [number of people per km]

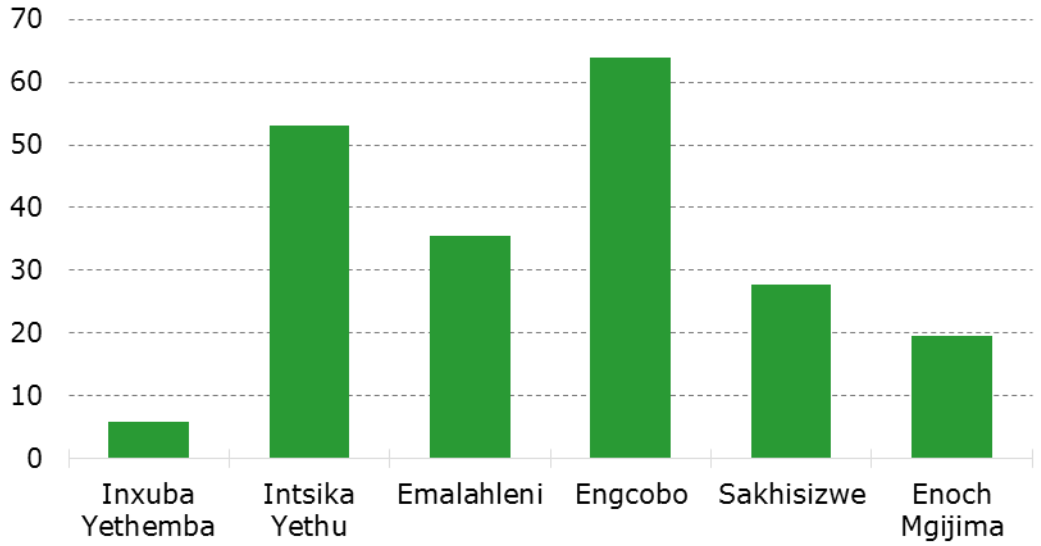
	Enoch Mgijima	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Sakhisizwe
2005	18.02	5.40	54.06	33.79	64.10	28.73
2006	18.06	5.42	53.50	33.61	63.64	28.52
2007	18.12	5.45	53.14	33.67	63.25	28.20
2008	18.23	5.48	52.98	33.94	63.01	27.83
2009	18.39	5.52	52.95	34.29	62.94	27.56
2010	18.57	5.58	52.91	34.55	62.95	27.42
2011	18.75	5.64	52.82	34.71	62.99	27.38
2012	18.93	5.70	52.70	34.83	63.03	27.37
2013	19.13	5.77	52.72	35.02	63.22	27.43

	Enoch Mgijima	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Sakhisizwe
2014	19.36	5.84	52.85	35.26	63.54	27.54
2015	19.59	5.91	53.05	35.53	63.93	27.68

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, Enoch Mgijima Local Municipality had a population density of 19.6 per square kilometre. The region with the highest population density per square kilometre was the Engcobo with a total population density of 63.9 per square kilometre per annum.

CHART 5. POPULATION DENSITY - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO, SAKHISIZWE AND ENOCH MGIJIMA LOCAL MUNICIPALITIES,2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

In terms of population density for each region within Chris Hani District Municipality, Engcobo local municipality had the highest density, with 63.9 people per square kilometre. The lowest population density can be observed in the Inxuba Yethemba local municipality with a total of 5.91 people per square kilometre.

2.5 Number of Households by Population Group

If the number of households is growing at a faster rate than that of the population it means that the average household size is decreasing, and vice versa.

Definition: A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own. An individual is considered part of a household if he/she spends at least four nights a week within the household.

In 2015, the Chris Hani District Municipality comprised of 218 000 households. This equates to an average annual growth rate of 1.23% in the number of households from 2005 to 2015.

TABLE 6. Number of households - Chris Hani, Eastern Cape and National Total, 2005-2015 [Number percentage]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2005	193,000	1,560,000	12,800,000	*12.4%*	*1.50%*
2006	195,000	1,570,000	13,000,000	*12.4%*	*1.50%*
2007	197,000	1,590,000	13,100,000	*12.4%*	*1.50%*
2008	202,000	1,620,000	13,400,000	*12.4%*	*1.51%*
2009	208,000	1,670,000	13,700,000	*12.5%*	*1.52%*
2010	210,000	1,680,000	13,900,000	*12.5%*	*1.51%*
2011	211,000	1,700,000	14,200,000	*12.4%*	*1.49%*
2012	213,000	1,720,000	14,500,000	*12.4%*	*1.47%*
2013	215,000	1,730,000	14,700,000	*12.4%*	*1.46%*
2014	215,000	1,740,000	15,000,000	*12.3%*	*1.43%*
2015	218,000	1,770,000	15,400,000	*12.3%*	*1.41%*
Average Annual growth					
2005-2015	***1.23***%	***1.32***%	***1.86***%		

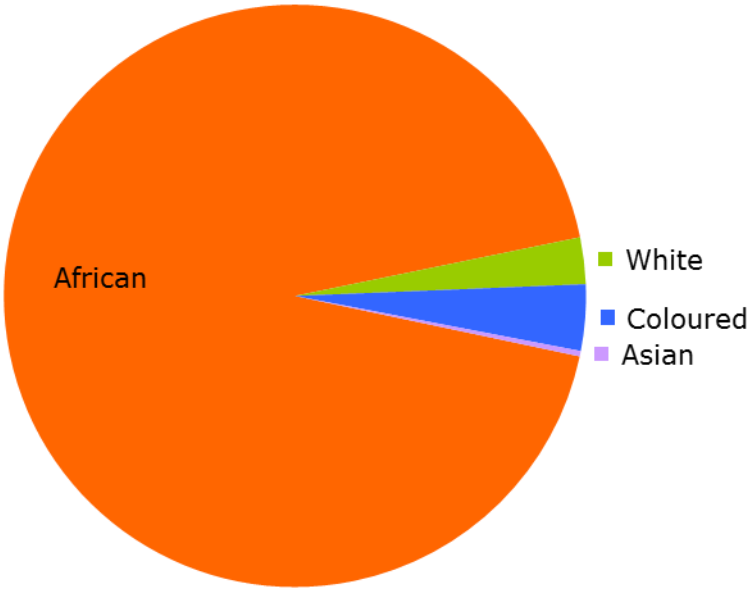
Source: IHS Global Insight Regional eXplorer version 1029

Relative to the province, the Chris Hani District Municipality had a lower average annual household growth rate of 1.23% from 2005 to 2015. In contrast, South Africa had a total of 15.4 million households, with a growth rate of 1.86%, thus growing at a rate higher than Chris Hani.

The composition of the households by population group consists of 93.4% which is ascribed to the African population group with the largest number of households. The Coloured population group had a total composition of 3.7% (ranking second). The White population group had a total composition of 2.6% of the total households. The smallest population group by households is the Asian population group with only 0.3% in 2015.

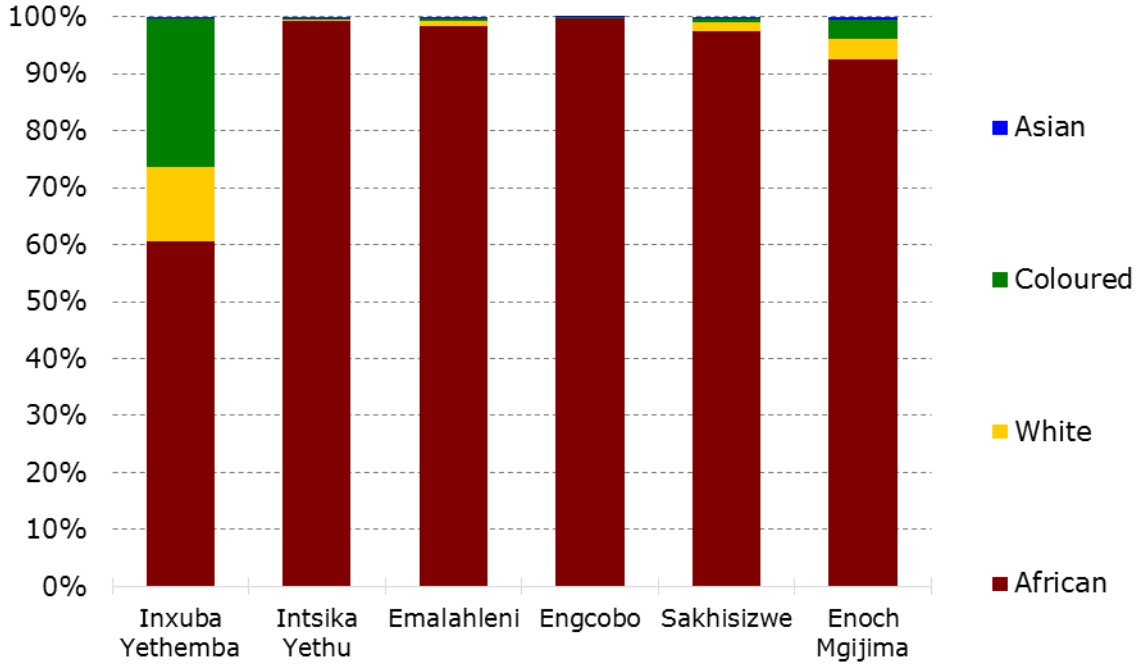
The growth in the number of African headed households was on average 1.31% per annum between 2005 and 2015, which translates in the number of households increasing by 24 800 in the period. The average annual growth rate in the number of households for all the other population groups has increased with 1.22%.

CHART 6. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - CHRIS HANI DISTRICT MUNICIPALITY, 2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

CHART 7. NUMBER OF HOUSEHOLDS BY POPULATION GROUP - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

2.6 Number of Households by Income category

In a growing economy among which production factors are increasing, most of the household incomes are spent on purchasing goods and services. Therefore, the measuring of the income and expenditure of households is a major indicator of a number of economic trends. It is also a good marker of growth as well as consumer tendencies.

The number of households is grouped according to predefined income categories or brackets, where income is calculated as the sum of all household gross disposable income: payments in kind, gifts, homemade goods sold, old age pensions, income from informal sector activities, subsistence income, etc.). Note that income tax is included in the income distribution.

Income categories start at R0 - R2,400 per annum and go up to R2,400,000+ per annum. A household is either a group of people who live together and provide themselves jointly with food and/or other essentials for living, or it is a single person living on his/her own.

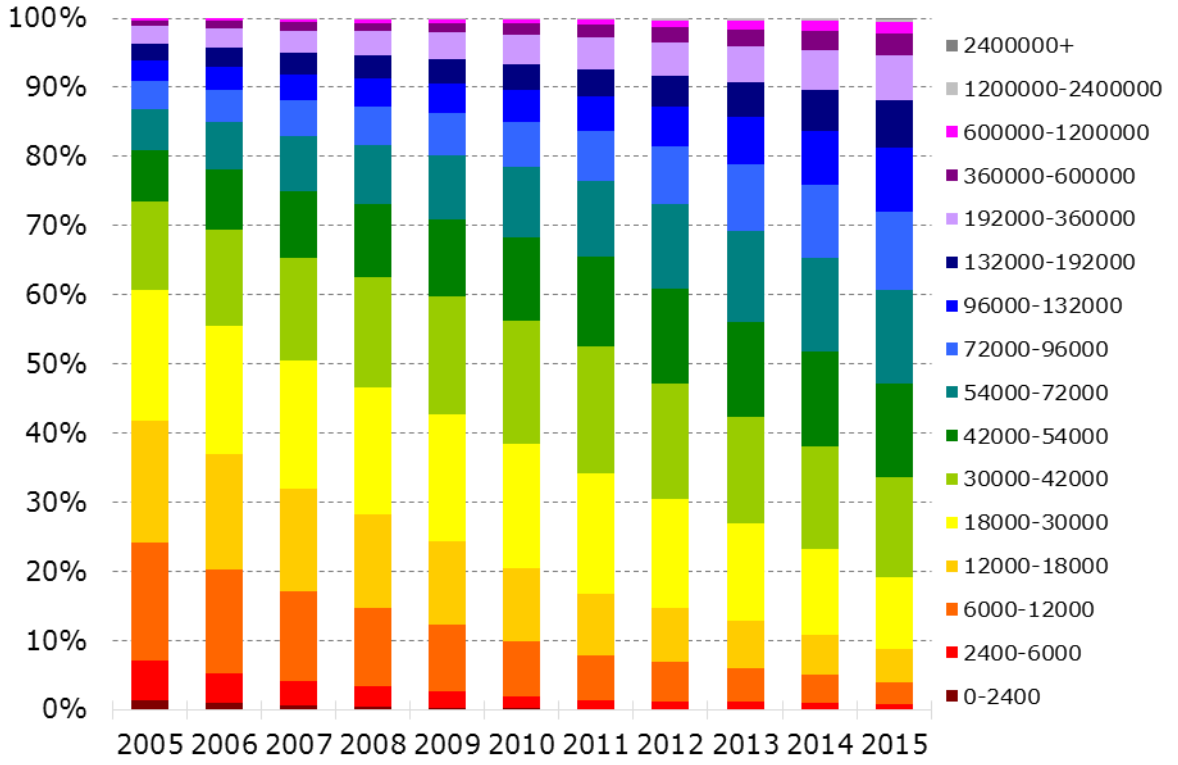
TABLE 7. Households by income category - Chris Hani, Eastern Cape and National Total, 2015 [Number Percentage]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
0-2400	170	1,450	11,800	*11.8%*	*1.44%*
2400-6000	1,380	11,800	92,100	*11.7%*	*1.50%*
6000-12000	6,970	59,800	466,000	*11.7%*	*1.50%*
12000-18000	10,400	86,900	685,000	*12.0%*	*1.52%*
18000-30000	23,000	186,000	1,420,000	*12.4%*	*1.63%*
30000-42000	31,500	243,000	1,790,000	*12.9%*	*1.75%*
42000-54000	29,300	221,000	1,620,000	*13.3%*	*1.81%*
54000-72000	29,900	218,000	1,640,000	*13.7%*	*1.82%*
72000-96000	24,700	182,000	1,460,000	*13.6%*	*1.69%*
96000-132000	20,000	154,000	1,390,000	*13.0%*	*1.45%*
132000-192000	15,100	130,000	1,320,000	*11.7%*	*1.15%*
192000-360000	14,000	140,000	1,610,000	*10.0%*	*0.87%*
360000-600000	6,930	78,800	1,000,000	*8.8%*	*0.69%*
600000-1200000	3,560	45,700	667,000	*7.8%*	*0.53%*
1200000-2400000	965	12,500	207,000	*7.7%*	*0.47%*
2400000+	330	3,290	49,300	*10.0%*	*0.67%*
Total	**218,000**	**1,770,000**	**15,400,000**	***12.3%***	***1.41%***

Source: IHS Global Insight Regional eXplorer version 1029

It is estimated that in 2015, about 19.23% of all the households in the CHDM, were living on R30,000 or less per annum. In comparison with 2005's 60.70%, the number is more than half. The R30,000-R42,000 income category has the highest number of households with a total number of 31 500, followed by the R54,000-R72,000 income category with 29 900 households. Only 170 households fall within the 0-2400 income category.

CHART 8. HOUSEHOLDS BY INCOME BRACKET - CHRIS HANI DISTRICT MUNICIPALITY, 2005-2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

For the period 2005 to 2015 the number of households earning more than R30,000 per annum has increased from 39.30% to 80.77%. It can be seen that the number of households with income equal to or lower than R6,000 per year has decreased significantly.

2.7 Annual Total Personal Income

Personal income is an even broader concept than labour remuneration. Personal income includes profits, income from property, net current transfers and net social benefits.

Definition: Annual total personal income is the sum of the total personal income for all households in a specific region. The definition of income is the same as used in the income brackets (Number of Households by Income Category), also including the income tax. For this variable, current prices are used, meaning that inflation has not been taken into account.

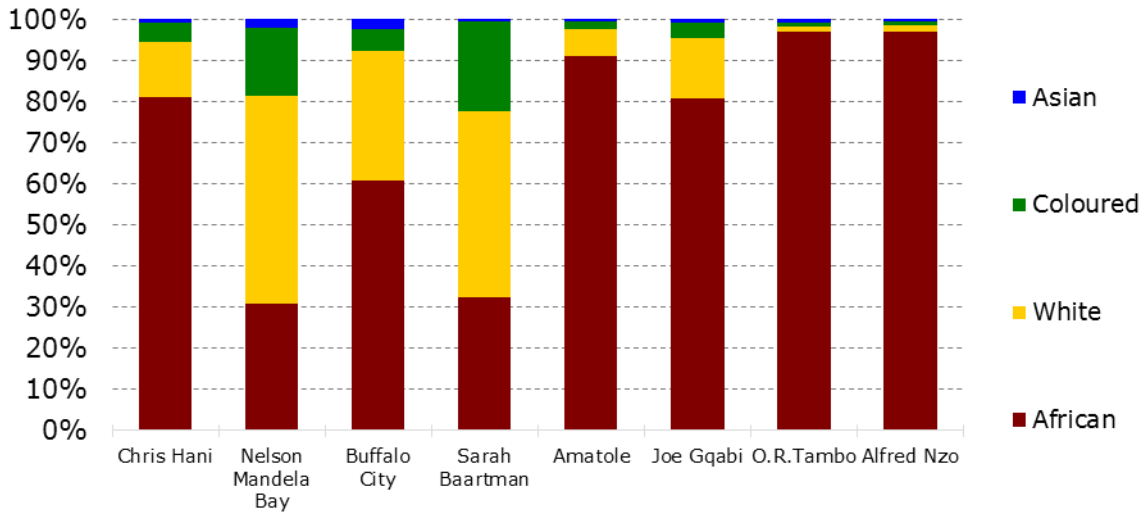
TABLE 8. Annual total personal income - Chris Hani, Eastern Cape and National Total[Current Prices, R billions]

	Chris Hani	Eastern Cape	National Total
2005	9.2	96.6	1,145.4
2006	10.2	106.6	1,259.4
2007	11.6	121.0	1,432.2
2008	12.9	134.0	1,587.9
2009	13.9	143.2	1,695.1
2010	14.9	154.0	1,843.3
2011	16.1	167.4	2,032.7
2012	18.0	187.1	2,226.0
2013	19.9	203.7	2,414.1
2014	21.8	218.0	2,602.5
2015	24.6	238.6	2,783.8
Average Annual growth			
2005-2015	***10.33%***	***9.47%***	***9.29%***

Source: IHS Global Insight Regional eXplorer version 1029

Chris Hani District Municipality recorded an average annual growth rate of 10.33% (from R 9.22 billion to R 24.6 billion) from 2005 to 2015, which is more than both Eastern Cape's (9.47%) as well as South Africa's (9.29%) average annual growth rates.

CHART 9. ANNUAL TOTAL PERSONAL INCOME BY POPULATION GROUP - CHRIS HANI AND THE REST OF EASTERN CAPE [CURRENT PRICES, R BILLIONS]



Source: IHS Global Insight Regional eXplorer version 1029

The total personal income of Chris Hani District Municipality amounted to approximately R 24.6 billion in 2015. The African population group earned R 20 billion, or 80.98% of total personal income, while the White population group earned R 3.32 billion, or 13.48% of the total personal income. The Coloured and the Asian population groups only had a share of 4.76% and 0.78% of total personal income respectively.

TABLE 9. Annual total personal income - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local municipalities[Current Prices, R billions]

	Inxuba Yethemba	Intsika Yethu	Emalahleni	Engcobo	Sakhisizwe	Enoch Mgijima
2005	1.30	1.36	1.01	1.32	0.72	3.51
2006	1.46	1.49	1.11	1.45	0.79	3.88
2007	1.67	1.67	1.25	1.64	0.90	4.43
2008	1.86	1.86	1.40	1.82	0.99	4.95
2009	1.98	2.00	1.52	1.96	1.06	5.35
2010	2.13	2.13	1.63	2.10	1.14	5.78
2011	2.33	2.28	1.75	2.26	1.23	6.30
2012	2.61	2.60	1.94	2.50	1.37	7.01
2013	2.86	2.98	2.13	2.85	1.45	7.64
2014	3.10	3.33	2.35	3.18	1.62	8.25
2015	3.41	3.85	2.67	3.68	1.82	9.20
Average Annual growth						
2005-2015	***10.11%***	***10.95%***	***10.23%***	***10.83%***	***9.77%***	***10.11%***

Source: IHS Global Insight Regional eXplorer version 1029

When looking at the annual total personal income for the regions within Eastern Cape Province it can be seen that the Enoch Mgijima local municipality had the highest total personal income with R 9.2 billion which increased from R 3.51 billion recorded in 2005. It can be seen that the Sakhisizwe

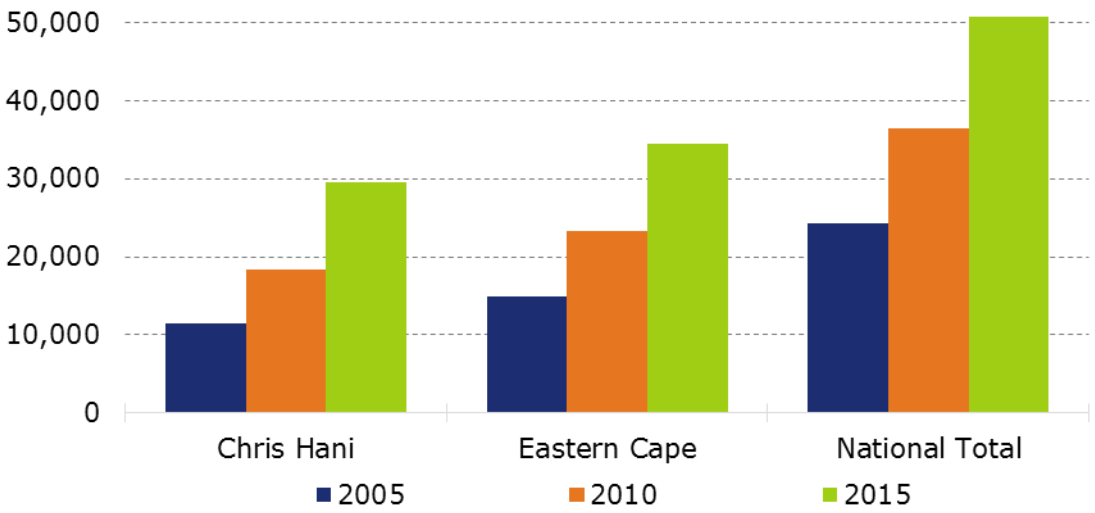
local municipality had the lowest total personal income of R 1.82 billion in 2015, this increased from R 718 million in 2005.

2.8 Annual per Capita Income

Per capita income is often used as a measure of wealth particularly when comparing economies or population groups. Rising per capita income usually indicates a likely swell in demand for consumption.

Definition: Per capita income refers to the income per person. Thus, it takes the total personal income per annum and divides it equally among the population.

CHART 10. ANNUALPER CAPITA INCOME - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2015 [RAND, CURRENT PRICES]



Source: IHS Global Insight Regional eXplorer version 1029

The per capita income in Chris Hani District Municipality is R 29,500 and is lower than both the National Total (R 50,700) and of the Eastern Cape Province (R 34,400) per capita income.

TABLE 10. PER CAPITA INCOME BY POPULATION GROUP - CHRIS HANI AND THE REST OF EASTERN CAPE PROVINCE, 2015 [RAND, CURRENT PRICES]

	African	White	Coloured	Asian
Chris Hani	25,500	209,000	35,400	93,500
Nelson Mandela Bay	26,100	207,000	38,100	113,000
Buffalo City	35,200	229,000	47,900	140,000
Sarah Baartman	26,100	197,000	29,000	86,500
Amatole	24,600	194,000	31,700	82,000
Joe Gqabi	25,900	202,000	33,800	N/A
O.R.Tambo	22,300	163,000	45,300	88,500
Alfred Nzo	19,600	150,000	37,200	74,800

Source: IHS Global Insight Regional eXplorer version 1029

In Chris Hani District Municipality, the White population group has the highest per capita income, with R 209,000, relative to the other population groups. The population group with the second highest per capita income within Chris Hani District Municipality is the Asian population group

(R 93,500), where the Coloured and the African population groups had a per capita income of R 35,400 and R 25,500 respectively.

3. Basic Services

Drawing on the household infrastructure data of a region is of essential value in development planning. Assessing household infrastructure involves the measurement of four indicators:

- Access to dwelling units
- Access to proper sanitation
- Access to running water
- Access to refuse removal
- Access to electricity

A household is considered "serviced" if it has access to all four of these basic services. If not, the household is considered to be part of the backlog. The way access to a given service is defined (and how to accurately measure that specific Definition over time) gives rise to some distinct problems. IHS Markit has therefore developed a unique model to capture the number of households and their level of access to the four basic services.

A household is defined as a group of persons who live together and provide themselves jointly with food and/or other essentials for living, or a single person who lives alone. The total number of households within Chris Hani District Municipality increased at an average annual rate of 1.23% from 2005 to 2015, which is higher than the annual increase of 1.86% in the number of households in South Africa.

The next few sections offer an overview of the household infrastructure of the Chris Hani District Municipality between 2015 and 2005.

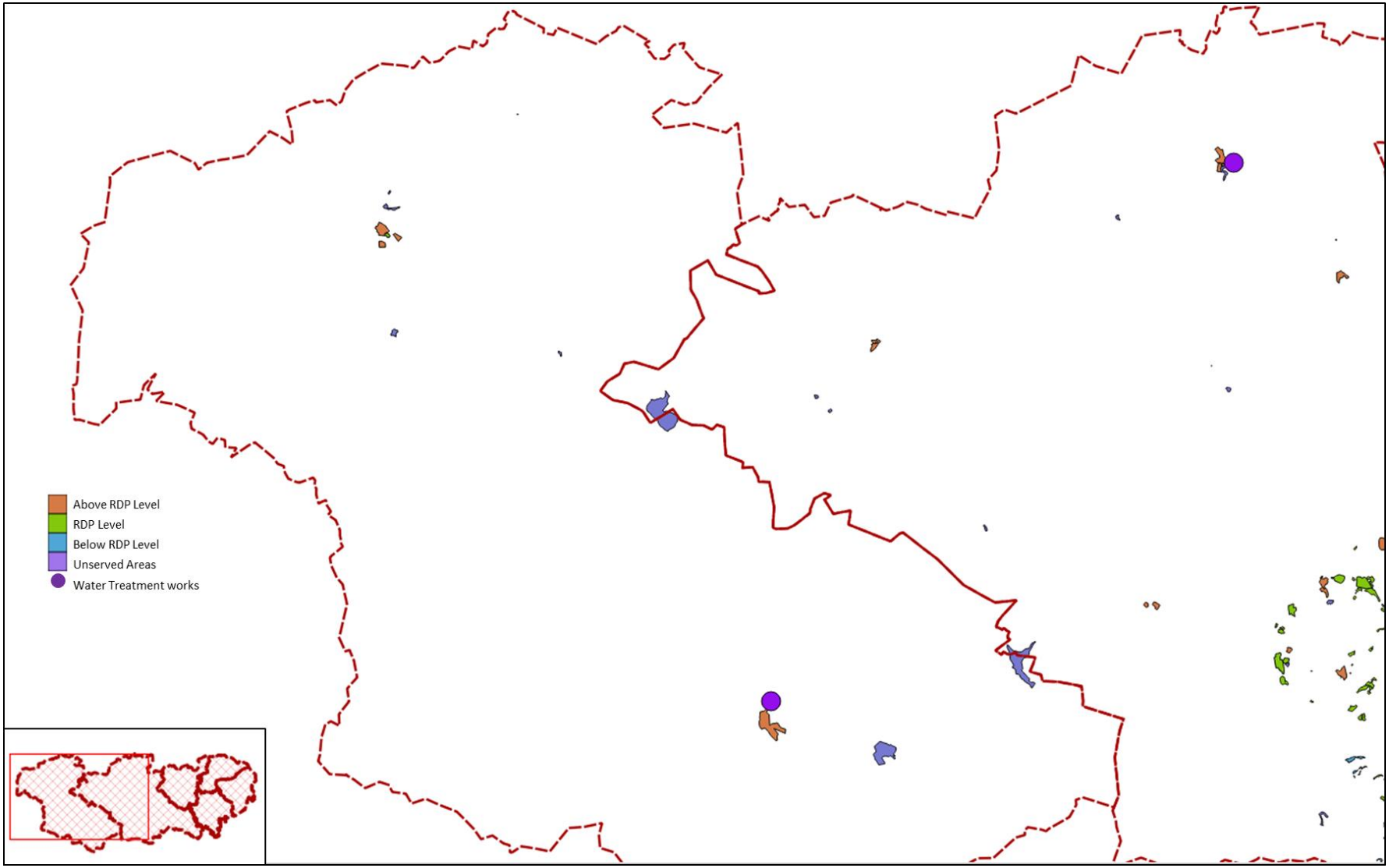
3.1 Water Infrastructure Overview

With regards to water schemes and the provision of water infrastructure, the low population levels in the district make the provision of sufficient access to water and sanitation challenging. The vast distances and small catchment areas are major obstacles to the achievement of economies of scale.

In terms of the current state of water treatment plants in the CHDM,the two maps below revealed that:

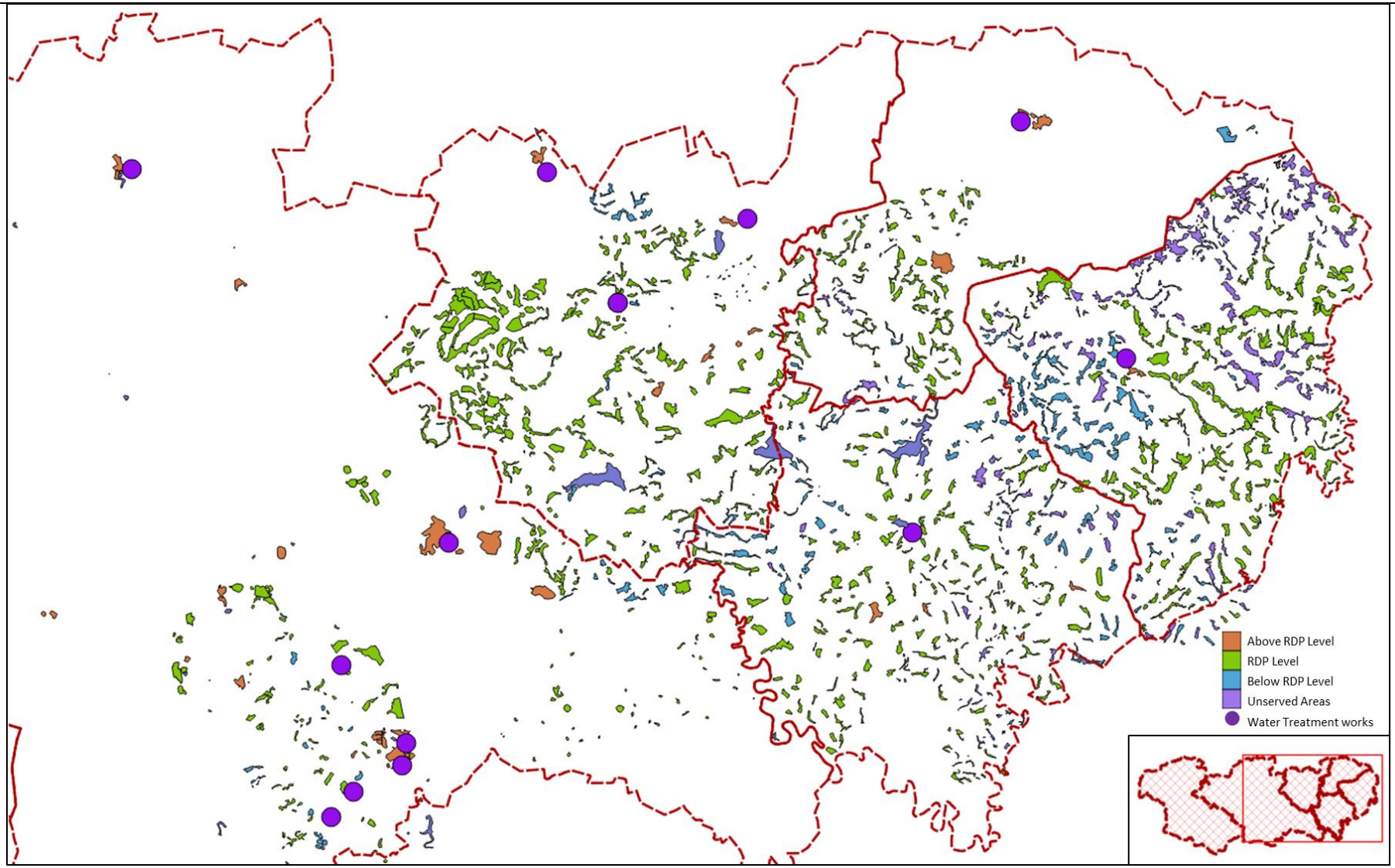
- CHDM currently has 14 water treatment plants across the district with at least one within each local mucipality, except for Enoch Mgijima and Emalahleni which have seven and three respectively.
- The western half of the district is characterised with vast distances between towns and only a few settlements which are mostly provided with services on or above RDP level.
- The majority of the eastern sections show that they are mostly on or below RDP level.
- A number of settlements within Intsika Yethu and Engcobo remain unserved.

Map 3. Water Treatment Plants and Settelment access levels, Chris Hani Dm, 2016 (Part1)



Source: IHS Markit GIS & Chris Hani DM, 2016

Map 4. Water Treatment Plants and Settelment access levels, Chris Hani Dm, 2016 (part2)

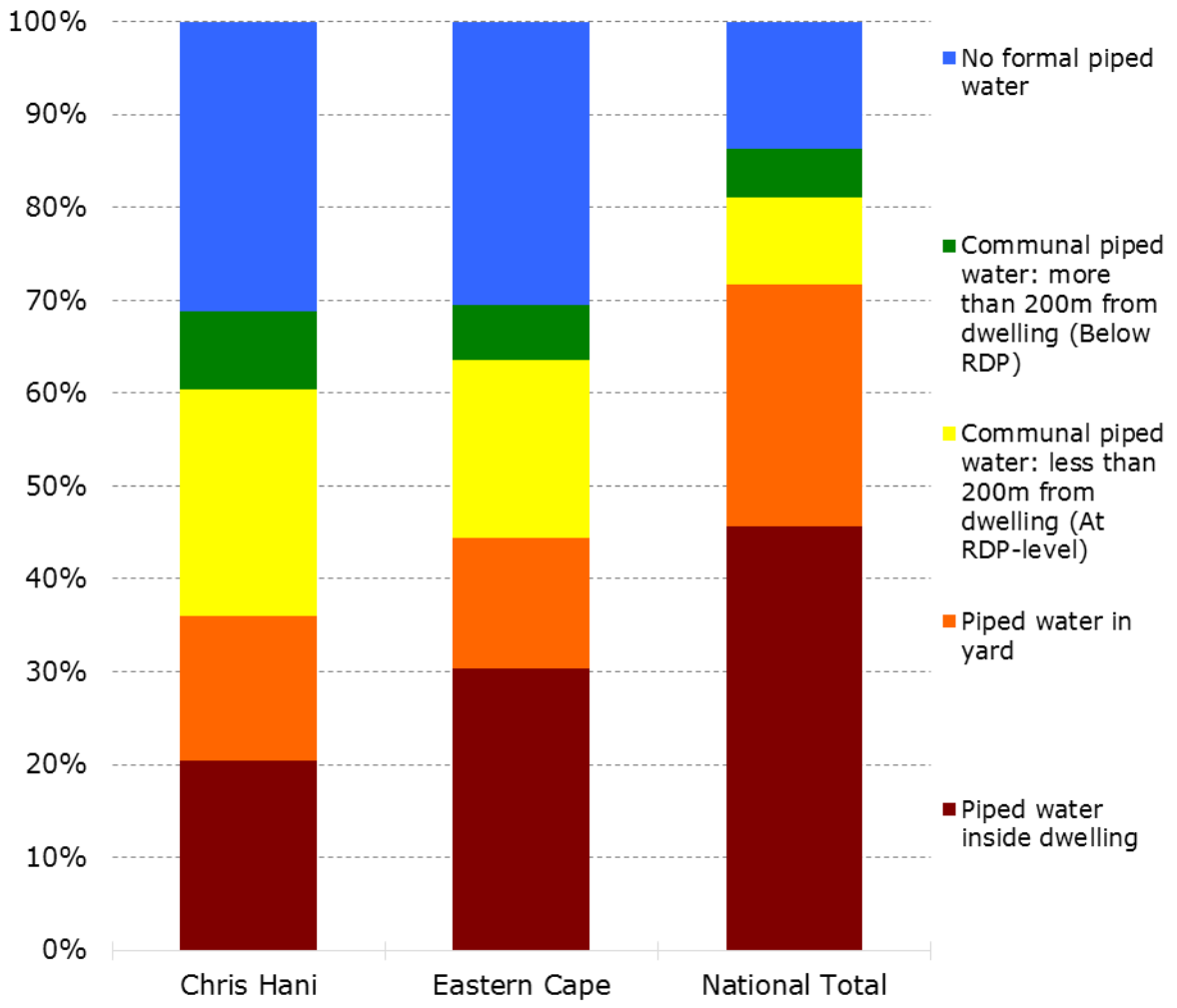


Source: IHS Markit GIS & Chris Hani DM, 2016

3.2 Households by Access to Water

A household is categorised according to its main access to water, as follows: Regional/local water scheme, Borehole and spring, Water tank, Dam/pool/stagnant water, River/stream and other main access to water methods. No formal piped water includes households that obtain water via water carriers and tankers, rain water, boreholes, dams, rivers and springs.

CHART 11. HOUSEHOLDS BY TYPE OF WATER ACCESS - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

Chris Hani District Municipality had a total number of 44 600 (or 20.43%) households with piped water inside the dwelling, a total of 33 900 (15.52%) households had piped water inside the yard and a total number of 68 100 (31.20%) households had no formal piped water.

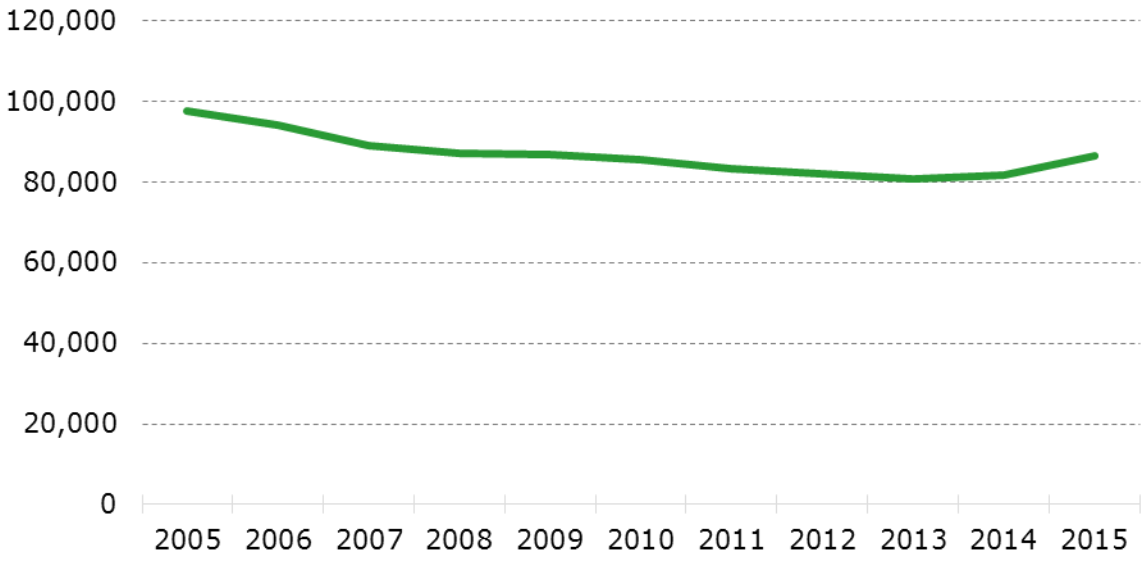
TABLE 11. Households by type of water access - Chris Hani District Municipality, 2015 [Number]

	Piped water inside dwelling	Piped water in yard	Communal piped water: less than 200m from dwelling (At RDP-level)	Communal piped water: more than 200m from dwelling (Below RDP)	No formal piped water	Total
Inxuba Yethemba	13,600	3,930	167	2	1,930	19,700
Intsika Yethu	954	2,460	13,800	6,760	17,200	41,200
Emalahleni	1,730	5,080	10,600	3,330	11,200	31,900
Engcobo	509	1,010	8,280	4,280	23,800	37,900
Sakhisizwe	2,490	3,780	4,480	1,080	4,760	16,600
Enoch Mgijima	25,300	17,600	16,100	2,850	9,200	71,000
Total Chris Hani	**44,590**	**33,864**	**53,383**	**18,299**	**68,079**	**218,215**

Source: IHS Global Insight Regional eXplorer version 1029

The regions within Chris Hani District Municipality with the highest number of households with piped water inside the dwelling is Enoch Mgijima local municipality with 25 300 or a share of 56.67% of the households with piped water inside the dwelling within Chris Hani District Municipality. The region with the lowest number of households with piped water inside the dwelling is Engcobo local municipality with a total of 509 or a share of 1.14% of the total households with piped water inside the dwelling within Chris Hani District Municipality.

CHART 12. WATER BACKLOG - CHRIS HANI DISTRICT MUNICIPALITY, 2005-2015 [NUMBER OF HOUSEHOLDS BELOW RDP-LEVEL]



Source: IHS Global Insight Regional eXplorer version 1029

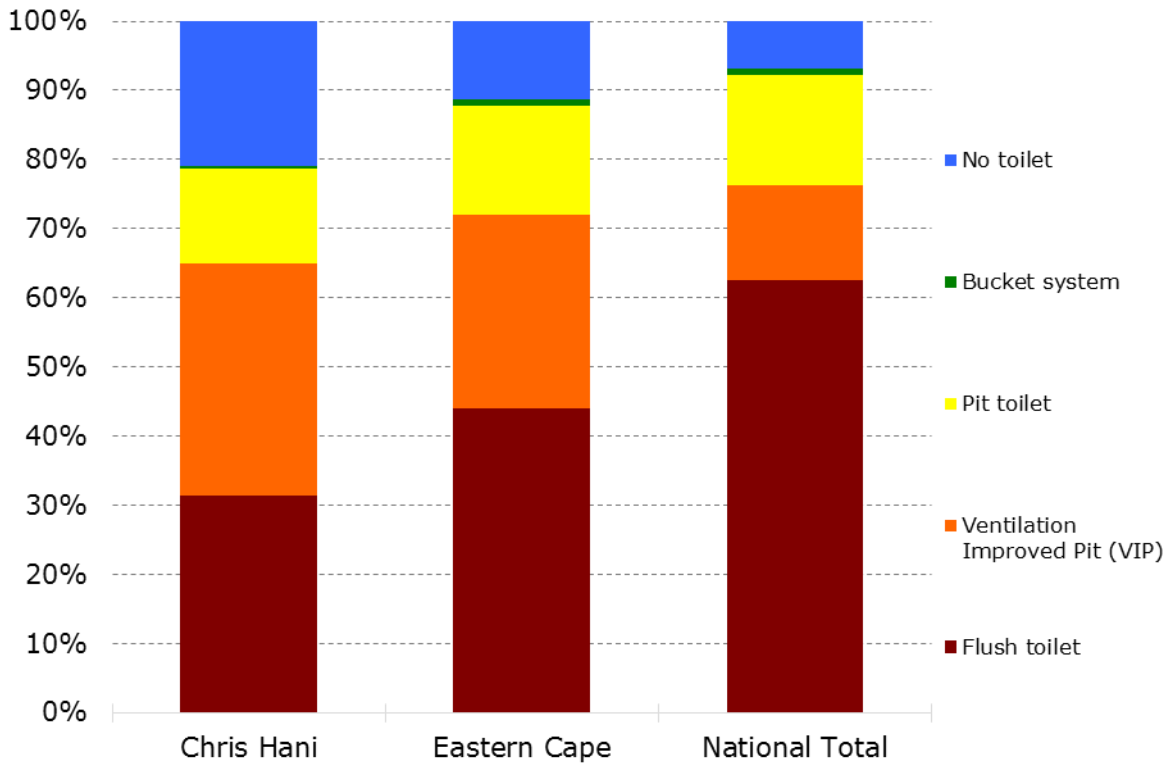
When looking at the water backlog (number of households below RDP-level) over time, it can be seen that in 2005 the number of households below the RDP-level were 97 700 within Chris Hani District Municipality, this decreased annually at 1.22% per annum to 86 400 in 2015.

3.3 Households by Type of Sanitation

Sanitation can be divided into specific types of sanitation to which a household has access. We use the following categories:

- **No toilet** - No access to any of the toilet systems explained below.
- **Bucket system** - A top structure with a seat over a bucket. The bucket is periodically removed and the contents disposed of. (Note: this system is widely used but poses health risks to the collectors. Most authorities are actively attempting to discontinue the use of these buckets in their local regions).
- **Pit toilet** - A top structure over a pit.
- **Ventilation improved pit** - A pit toilet but with a fly screen and vented by a pipe. Depending on soil conditions, the pit may be lined.
- **Flush toilet** - Waste is flushed into an enclosed tank, thus preventing the waste to flow into the surrounding environment. The tanks need to be emptied or the contents pumped elsewhere.

CHART 13. HOUSEHOLDS BY TYPE OF SANITATION - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

Chris Hani District Municipality had a total number of 68 400 flush toilets (31.34% of total households), 73 200 Ventilation Improved Pit (VIP) (33.56% of total households) and 30 000 (13.76%) of total households pit toilets.

•

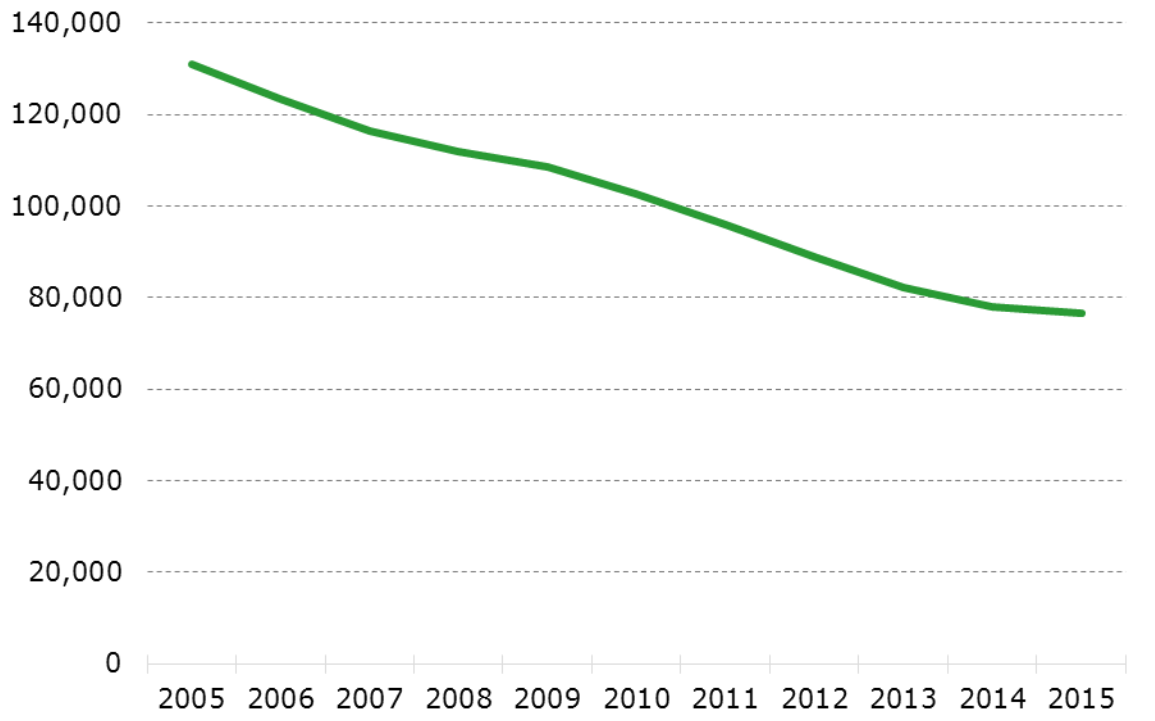
TABLE 12. Households by type of sanitation - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local municipalities, 2015 [Number]

	Flush toilet	Ventilation Improved Pit (VIP)	Pit toilet	Bucket system	No toilet	Total
Inxuba Yethemba	16,400	552	728	141	1,830	19,700
Intsika Yethu	2,100	16,400	9,150	31	13,500	41,200
Emalahleni	5,010	11,400	6,250	453	8,770	31,900
Engcobo	2,020	16,800	6,290	50	12,700	37,900
Sakhisizwe	3,910	6,780	3,120	109	2,660	16,600
Enoch Mgijima	38,900	21,200	4,480	193	6,190	71,000
Total Chris Hani	**68,387**	**73,237**	**30,025**	**976**	**45,588**	**218,214**

Source: IHS Global Insight Regional eXplorer version 1029

The region within Chris Hani with the highest number of flush toilets is Enoch Mgijima local municipality with 38 900 or a share of 56.92% of the flush toilets within Chris Hani. The region with the lowest number of flush toilets is Engcobo local municipality with a total of 2 020 or a share of 2.96% of the total flush toilets within Chris Hani District Municipality.

CHART 14. SANITATION BACKLOG - CHRIS HANI DISTRICT MUNICIPALITY, 2005-2015 [NUMBER OF HOUSEHOLDS WITHOUT HYGIENIC TOILETS]



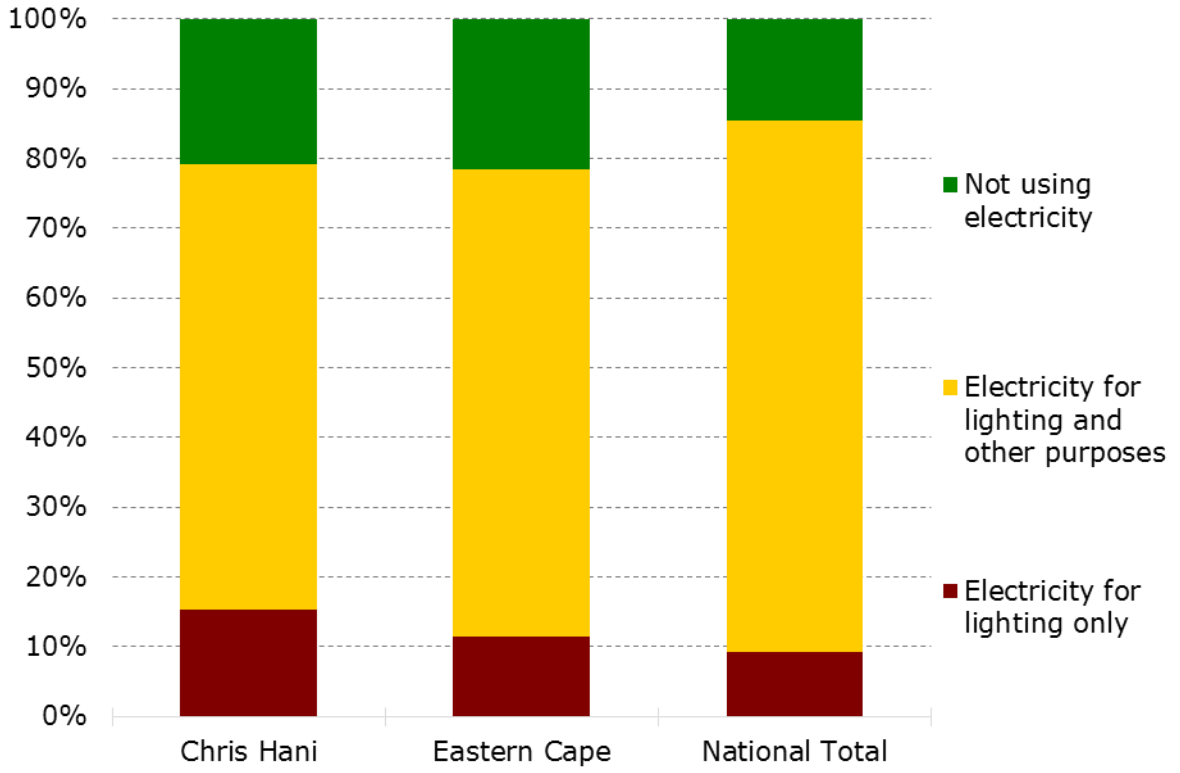
Source: IHS Global Insight Regional eXplorer version 1029

When looking at the sanitation backlog (number of households without hygienic toilets) over time, it can be seen that in 2005 the number of Households without any hygienic toilets in Chris Hani District Municipality was 131 000, this decreased annually at a rate of 5.22% to 76 600 in 2015.

3.4 Households by Type of Electricity

Households are distributed into 3 electricity usage categories: Households using electricity for cooking, Households using electricity for heating, households using electricity for lighting. Household using solar power are included as part of households with an electrical connection. This time series categorises households in a region according to their access to electricity (electrical connection).

CHART 15. HOUSEHOLDS BY TYPE OF ELECTRICAL CONNECTION - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

Chris Hani District Municipality had a total number of 33 400 (15.29%) households with electricity for lighting only, a total of 140 000 (63.92%) households had electricity for lighting and other purposes and a total number of 45 400 (20.79%) households did not use electricity.

TABLE 13. Households by type of electrical connection - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local municipalities, 2015 [Number]

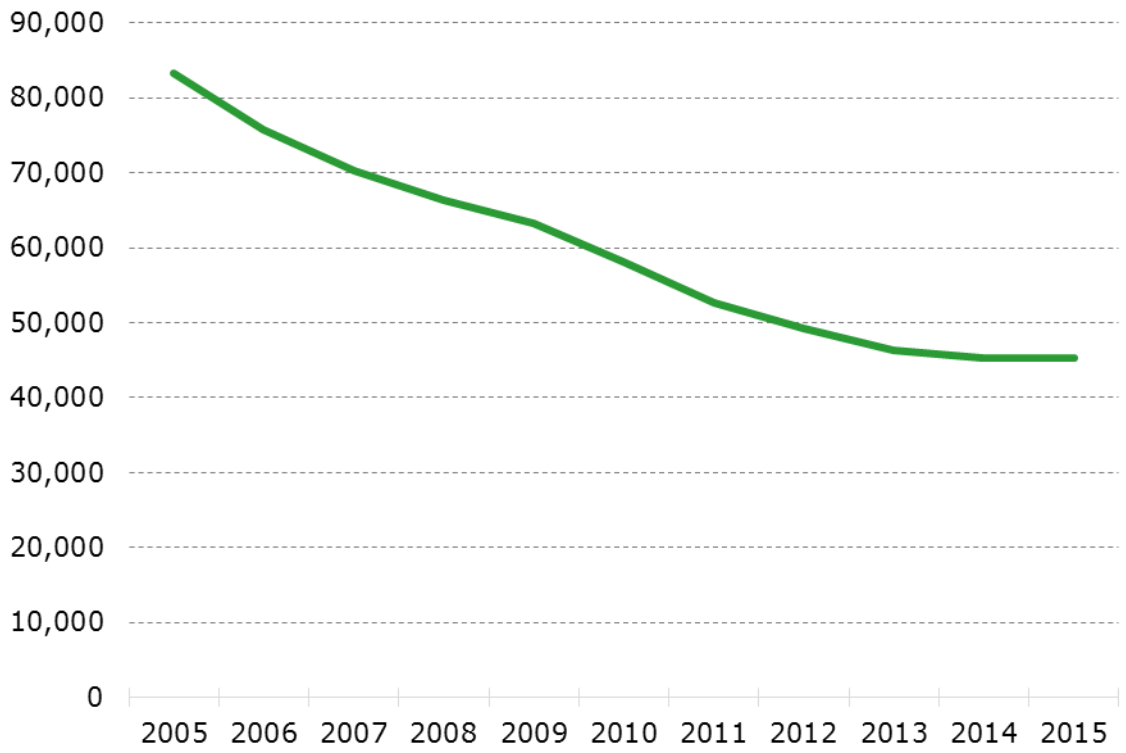
	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Inxuba Yethemba	1,180	17,300	1,230	19,700
Intsika Yethu	8,840	19,500	12,800	41,200
Emalahleni	7,670	18,700	5,570	31,900

	Electricity for lighting only	Electricity for lighting and other purposes	Not using electricity	Total
Engcobo	6,640	16,700	14,500	37,900
Sakhisizwe	2,860	10,500	3,210	16,600
Enoch Mgijima	6,180	56,800	8,090	71,000
Total Chris Hani	**33,359**	**139,482**	**45,372**	**218,214**

Source: IHS Global Insight Regional eXplorer version 1029

The region within Chris Hani with the highest number of households with electricity for lighting and other purposes is Enoch Mgijima local municipality with 56 800 or a share of 40.70% of the households with electricity for lighting and other purposes within Chris Hani District Municipality. The Region with the lowest number of households with electricity for lighting and other purposes is Sakhisizwe local municipality with a total of 10 500 or a share of 7.54% of the total households with electricity for lighting and other purposes within Chris Hani District Municipality.

CHART 16. ELECTRICITY CONNECTION - CHRIS HANI DISTRICT MUNICIPALITY, 2005-2015 [NUMBER OF HOUSEHOLDS WITH NO ELECTRICAL CONNECTION]



Source: IHS Global Insight Regional eXplorer version 1029

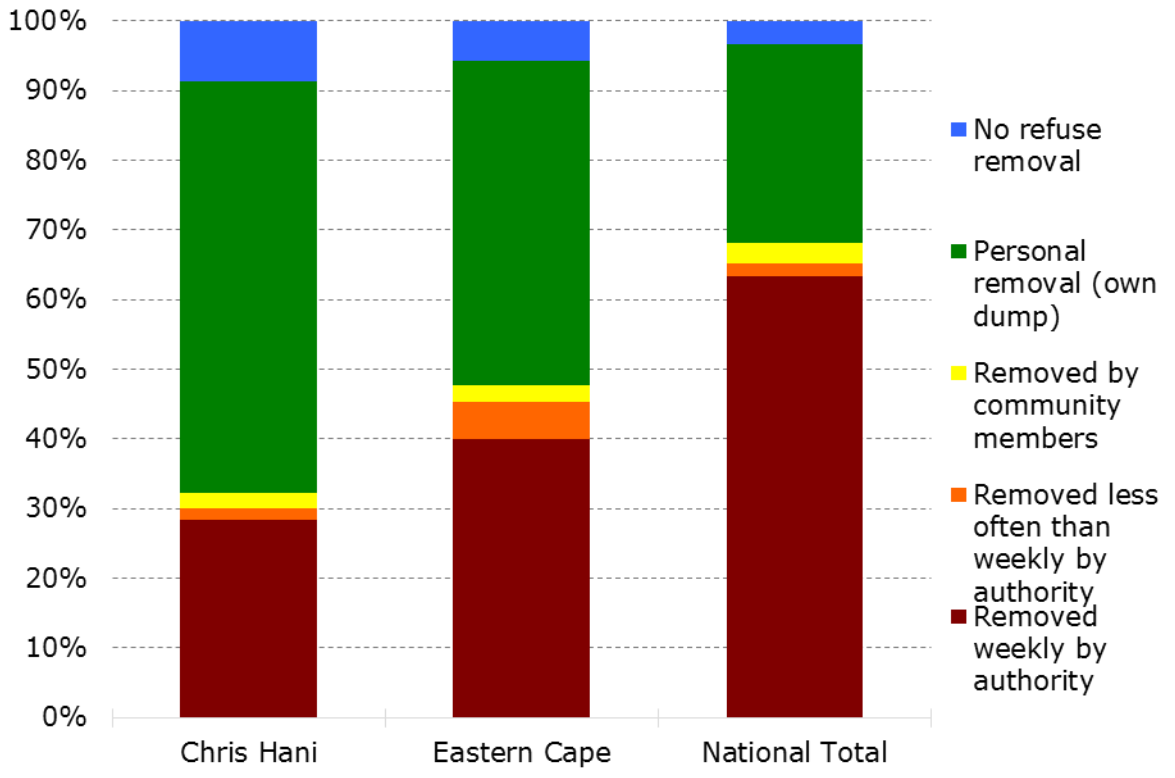
When looking at the number of households with no electrical connection over time, it can be seen that in 2005 the households without an electrical connection in Chris Hani District Municipality was 83 200, this decreased annually at 5.89% per annum to 45 400 in 2015.

3.5 Households by Refuse Disposal

A distinction is made between formal and informal refuse removal. When refuse is removed by the local authorities, it is referred to as formal refuse removal. Informal refuse removal is where either the household or the community disposes of the waste, or where there is no refuse removal at all. A further breakdown is used in terms of the frequency by which the refuge is taken away, thus leading to the following categories:

- Removed weekly by authority
- Removed less often than weekly by authority
- Removed by community members
- Personal removal / (own dump)
- No refuse removal

CHART 17. HOUSEHOLDS BY REFUSE DISPOSAL - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

Chris Hani District Municipality had a total number of 61 800 (28.33%) households which had their refuse removed weekly by the authority, a total of 3 890 (1.78%) households had their refuse removed less often than weekly by the authority and a total number of 129 000 (59.06%) households which had to remove their refuse personally (own dump).

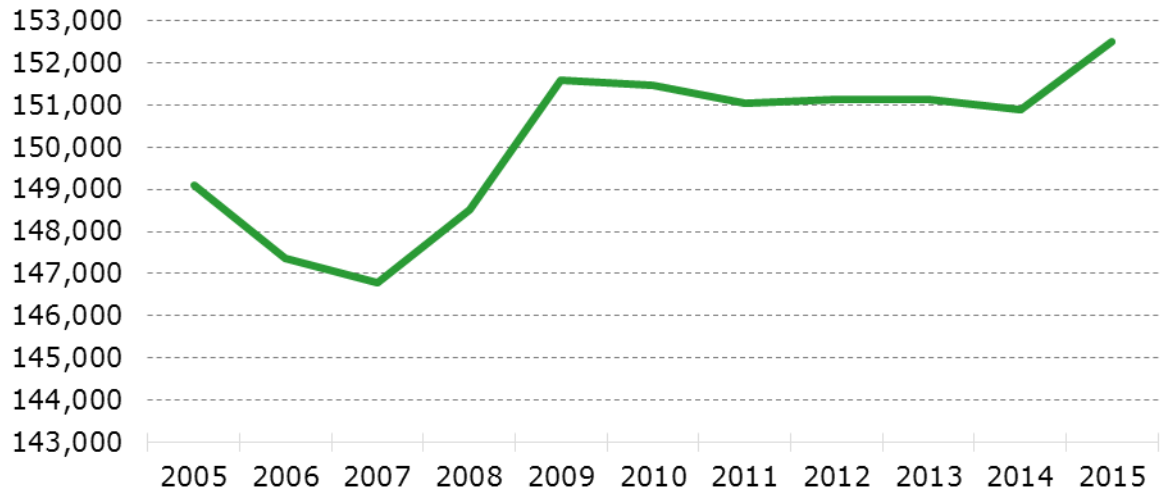
TABLE 14. Households by refuse disposal - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local municipalities, 2015 [Number]

	Removed weekly by authority	Removed less often than weekly by authority	Removed by community members	Personal removal (own dump)	No refuse removal	Total
Inxuba Yethemba	15,400	768	820	2,220	461	19,700
Intsika Yethu	1,760	403	903	33,600	4,480	41,200
Emalahleni	2,780	232	727	25,600	2,590	31,900
Engcobo	1,140	423	591	28,000	7,710	37,900
Sakhisizwe	2,660	470	749	11,600	1,120	16,600
Enoch Mgijima	38,100	1,600	805	27,900	2,670	71,000
Total Chris Hani	**61,829**	**3,894**	**4,596**	**128,874**	**19,021**	**218,214**

Source: IHS Global Insight Regional eXplorer version 1029

The region within Chris Hani with the highest number of households where the refuse is removed weekly by the authority is Enoch Mgijima local municipality with 38 100 or a share of 61.61% of the households where the refuse is removed weekly by the authority within Chris Hani. The region with the lowest number of households where the refuse is removed weekly by the authority is Engcobo local municipality with a total of 1 140 or a share of 1.84% of the total households where the refuse is removed weekly by the authority within the district municipality.

CHART 18. REFUSE REMOVAL - CHRIS HANI DISTRICT MUNICIPALITY, 2005-2015 [NUMBER OF HOUSEHOLDS WITH NO FORMAL REFUSE REMOVAL]



Source: IHS Global Insight Regional eXplorer version 1029

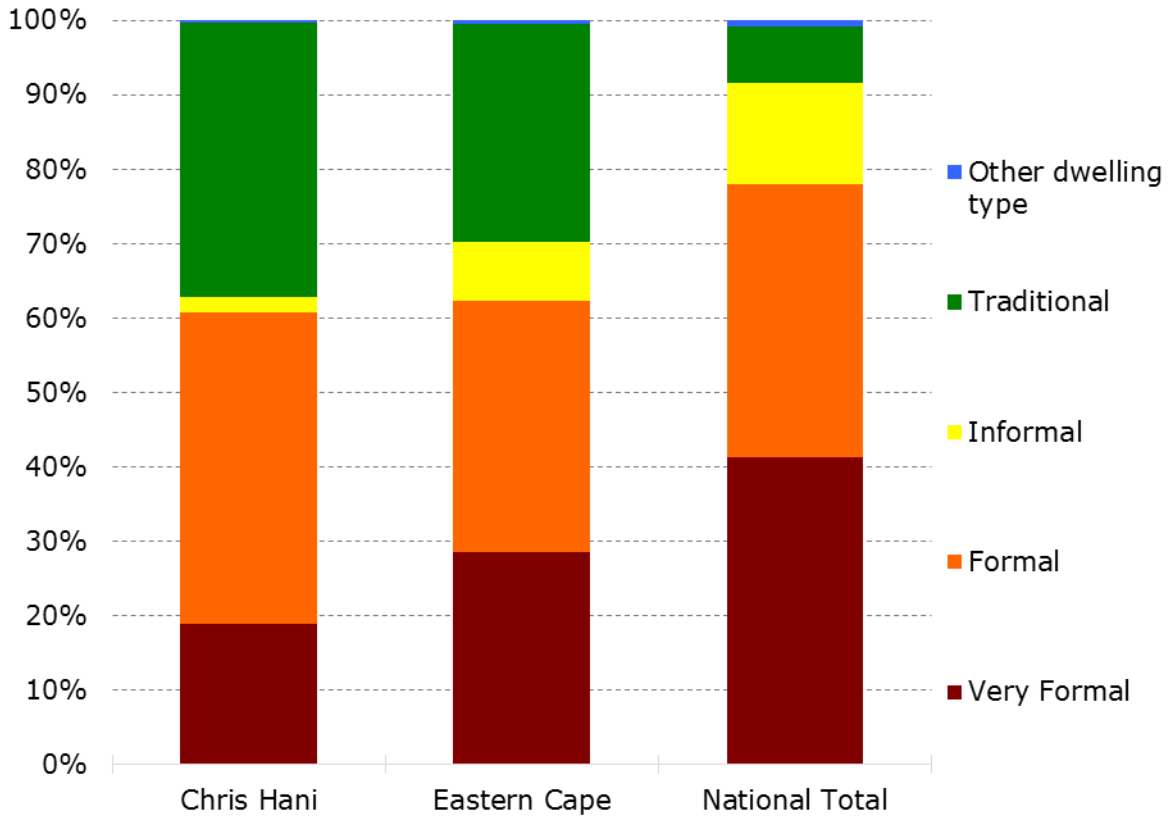
When looking at the number of households with no formal refuse removal, it can be seen that in 2005 the households with no formal refuse removal in Chris Hani District Municipality was 149 000, this increased annually at 0.22% per annum to 152 000 in 2015.

3.6 Households by Dwelling Type

Using the StatsSA definition of a household and a dwelling unit, households can be grouped into the following type of dwelling categories:

- **Very formal dwellings** - structures built according to approved plans, e.g. houses on a separate stand, flats or apartments, townhouses, rooms in backyards that also have running water and flush toilets within the dwelling. .
- **Formal dwellings** - structures built according to approved plans, i.e. house on a separate stand, flat or apartment, townhouse, room in backyard, rooms or flat-let elsewhere etc, but without running water or without a flush toilet within the dwelling.
- **Informal dwellings** - shacks or shanties in informal settlements, serviced stands, or proclaimed townships, as well as shacks in the backyards of other dwelling types.
- **Traditional dwellings** - structures made of clay, mud, reeds, or other locally available material.
- **Other dwelling units** - tents, ships, caravans, etc.

CHART 19. HOUSEHOLDS BY DWELLING UNIT TYPE - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

Chris Hani District Municipality had a total number of 41 200 (18.90% of total households) very formal dwelling units, a total of 91 400 (41.88% of total households) formal dwelling units and a total number of 4 310 (1.97% of total households) informal dwelling units.

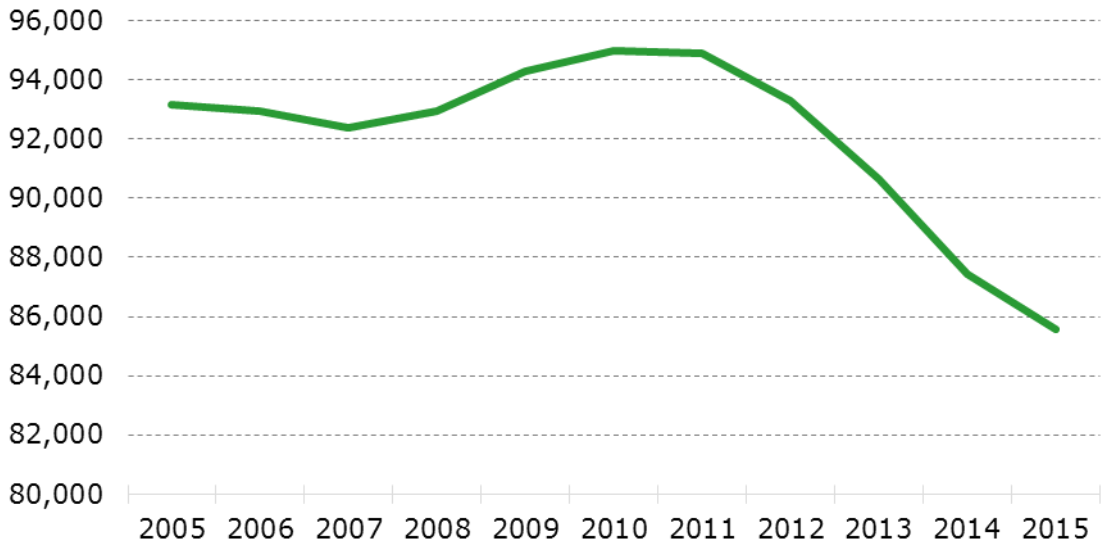
TABLE 15. Households by dwelling unit type - Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local municipalities, 2015 [Number]

	Very Formal	Formal	Informal	Traditional	Other dwelling type	Total
Inxuba Yethemba	13,100	5,980	441	59	87	19,700
Intsika Yethu	533	12,300	419	27,800	91	41,100
Emalahleni	1,340	15,900	181	14,400	39	31,900
Engcobo	350	11,200	692	25,500	171	37,900
Sakhisizwe	1,800	8,530	722	5,470	60	16,600
Enoch Mgijima	24,100	37,500	1,850	7,420	156	71,000
Total Chris Hani	**41,243**	**91,382**	**4,307**	**80,677**	**604**	**218,212**

Source: IHS Global Insight Regional eXplorer version 1029

The region within the Chris Hani District Municipality with the highest number of very formal dwelling units is Enoch Mgijima local municipality with 24 100 or a share of 58.51% of the total very formal dwelling units within the district. The region with the lowest number of very formal dwelling units is Engcobo local municipality with a total of 350 or a share of 0.85% of the total very formal dwelling units within Chris Hani District Municipality.

CHART 20. FORMAL DWELLING BACKLOG - NUMBER OF HOUSEHOLDS NOT LIVING IN A FORMAL DWELLING - CHRIS HANI DISTRICT MUNICIPALITY, 2005-2015 [NUMBER OF HOUSEHOLDS]



Source: IHS Global Insight Regional eXplorer version 1029

When looking at the formal dwelling unit backlog (number of households not living in a formal dwelling) over time, the number of households not living in formal dwellings decreased from 93 200

in 2005 to about 85 500 in 2015. This indicates an average annual decrease of 0.85% over the past 10 years.

4. Health

4.1 HIV+ and AIDS estimates

HIV and AIDS can have a substantial impact on the growth of a particular population. However, there are many factors affecting the impact of the HIV virus on population progression: adult HIV prevalence rates; the speed at which the virus progresses; age distribution of the virus; the mother-to-child transmission; child treatment; adult treatment; and the percentage by which the virus decreases total fertility. ARV treatment can also prolong the lifespan of people that are HIV+. In the absence of any treatment, people diagnosed with HIV live for approximately 10 years before reaching the final stage of the disease (called AIDS). When patients reach this stage, recovery is highly unlikely.

HIV+ and AIDS estimates are defined as follows: *The HIV+ estimates are calculated by using the prevalence rates from the HIV/AIDS model built by the Actuarial Society of Southern Africa (ASSA-2008). These rates are used as base rates on a provincial level. IHS Markit slightly adjusted the provincial ASSA-2008 data to more accurately reflect the national HIV Prevalence rate per population group as used in the national demographic models. The ASSA model in turn uses the prevalence rates from various primary data sets, in particular the HIV/AIDS surveys conducted by the Department of Health and the Antenatal clinic surveys. Their rates are further adjusted for over-reporting and then smoothed.*

TABLE 16. Number of HIV+ people - Chris Hani, Eastern Cape and National Total, 2005-2015 [Number and percentage]

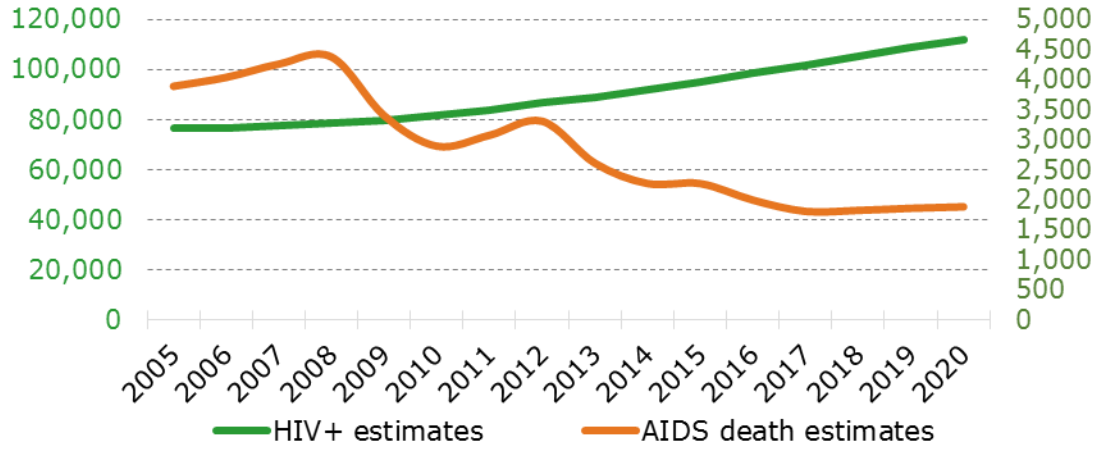
	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2005	76,400	619,000	5,260,000	*12.3%*	*1.45%*
2006	76,800	623,000	5,320,000	*12.3%*	*1.44%*
2007	77,800	627,000	5,370,000	*12.4%*	*1.45%*
2008	78,800	632,000	5,410,000	*12.5%*	*1.46%*
2009	79,800	644,000	5,490,000	*12.4%*	*1.45%*
2010	81,500	661,000	5,600,000	*12.3%*	*1.46%*
2011	83,600	677,000	5,690,000	*12.3%*	*1.47%*
2012	86,600	693,000	5,770,000	*12.5%*	*1.50%*
2013	89,000	714,000	5,880,000	*12.5%*	*1.51%*
2014	92,100	738,000	6,010,000	*12.5%*	*1.53%*
2015	95,100	762,000	6,140,000	*12.5%*	*1.55%*
Average Annual growth					
2005-2015	***2.22%***	***2.10%***	***1.56%***		

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, 95 100 people in the Chris Hani District Municipality were reported to have HIV. This reflects an increase at an average annual rate of 2.22% since 2005, and in 2015 represented 11.40% of the district municipality's total population. Eastern Cape Province had an average annual growth rate of

2.10% from 2005 to 2015 in the number of people reported with HIV, which is lower than that of the Chris Hani District Municipality. When looking at South Africa as a whole it can be seen that the number of people that are infected increased from 2005 to 2015 with an average annual growth rate of 1.56%.

CHART 21. AIDS PROFILE AND FORECAST - CHRIS HANI DISTRICT MUNICIPALITY, 2005-2020 [NUMBERS]



Source: IHS Global Insight Regional eXplorer version 1029

Presenting the number of HIV+ people against the number of people living with AIDS, the people with AIDS added up to 3890 in 2005 and 2270 for 2015. This number denotes a decrease from 2005 to 2015 with a high average annual rate of 5.25% (or less 1620 individuals). For the year 2015, they represented 0.27% of the total population of the entire district municipality.

4.2 Health Service Infrastructure

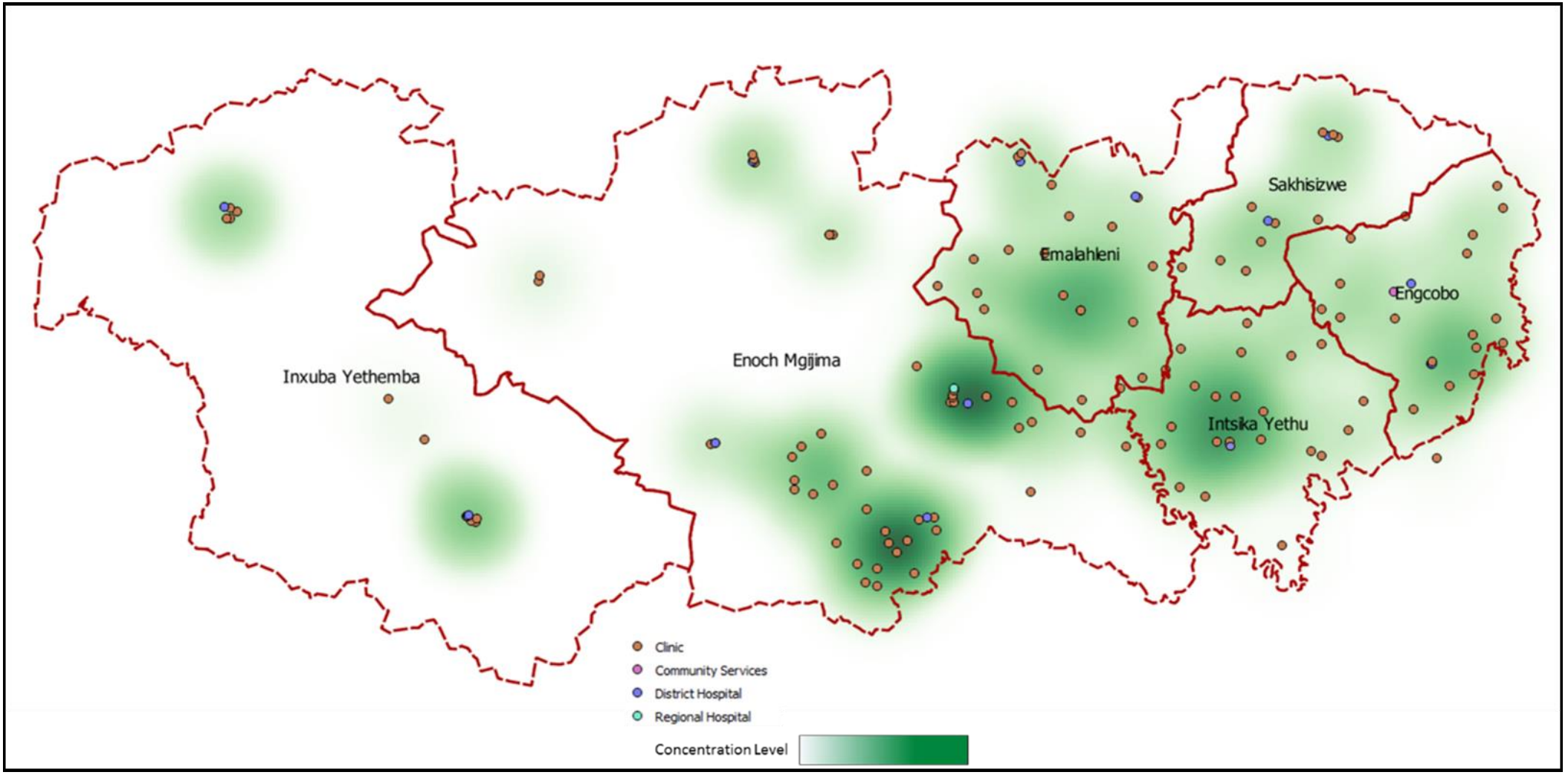
This section aims to present information on primary health care infrastructure available in Chris Hani DM. Planning for public health cannot take place without a geo-spatial understanding of the available infrastructure. The state of the physical infrastructure of health facilities in many areas of South Africa is poor because of the unequal development and maintenance of health facilities. Not only is the condition of the infrastructure poor, it is also in many cases inadequate for the needs of clinic catchment populations. Both of these problems need to be addressed by ensuring that infrastructure is of good quality, and to plan infrastructure development to better meet the needs of the populations served. The following map illustrates current state of health facilities in CHDM which can be divided into the following categories: clinics, community service centres, district hospitals and regional hospitals.

The map also shows the level of spatial concentration of health facilities across the district. Areas in dark green can be described as regions with a high number of facilities with close proximity to each other while the light green and white regions have few sparsely distributed health facilities. When comparing the population distribution of the district with the health facility concentration, there exists a very strong correlation between highly populated and highly concentrated areas. This

indicates that the majority of the established and populated areas does have full or partial access to health facilities across the district[1].

[1] The physical state of public health facilities also includes the state of the buildings, the water, electricity and communications technology available, the quality of access roads, and the availability of equipment (both medical and non-medical) in working condition. Detailed information on these aspects are unfortunately not available on a low spatial level.

Map 5. Health Facilities across Chris Hani Dm, 2016



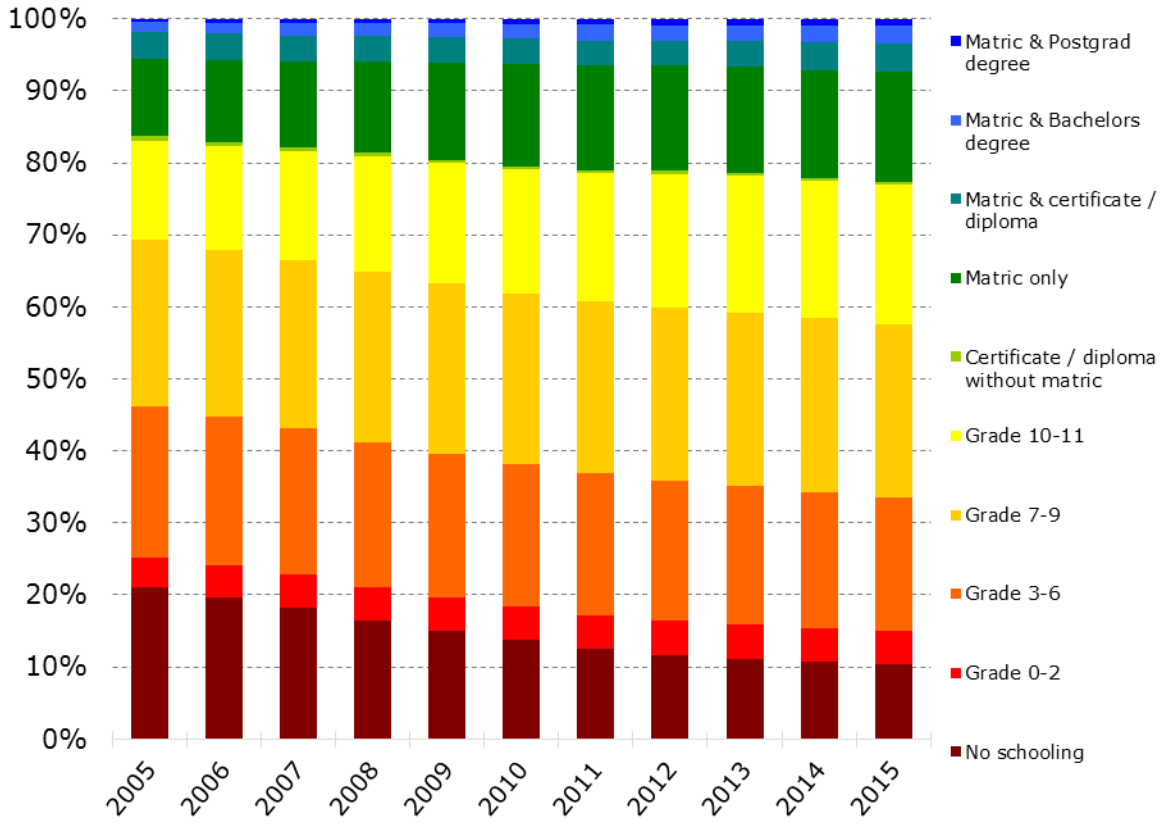
Source: IHS Markit GIS & Chris Hani DM, 2016

5. Education

Educating is important to the economic growth in a region and the development of its industries, providing a trained workforce and skilled professionals are required.
The education measure represents the highest level of schooling of an individual, using the 15 years and older age category. (According to the United Nations definition of education, one is an adult when 15 years or older. IHS Markit uses this cut-off point to allow for cross-country comparisons. Furthermore, the age of 15 is also the legal age at which children may leave school in South Africa).

5.1 Highest level of Education

CHART 22. HIGHEST LEVEL OF EDUCATION: AGE 15+ - CHRIS HANI DISTRICT MUNICIPALITY, 2005-2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

Within Chris Hani District Municipality, the number of people without any schooling decreased from 2005 to 2015 with an average annual rate of 5.34%, while the number of people within the 'matric only' category, increased from 43,800 to 73,200. The number of people with 'matric and a certificate/diploma' increased with an average annual rate of 2.13%, with the number of people with a 'matric and a Bachelor's' degree increasing with an average annual rate of 8.20%. Overall improvement in the level of education is visible with an increase in the number of people with 'matric' or higher education.

CHART 23. AGE DISTRIBUTION OF POPULATION WITH NO SCHOOLING: AGE 15+ - CHRIS HANI DISTRICT MUNICIPALITY, 2016 [PERCENTAGE]

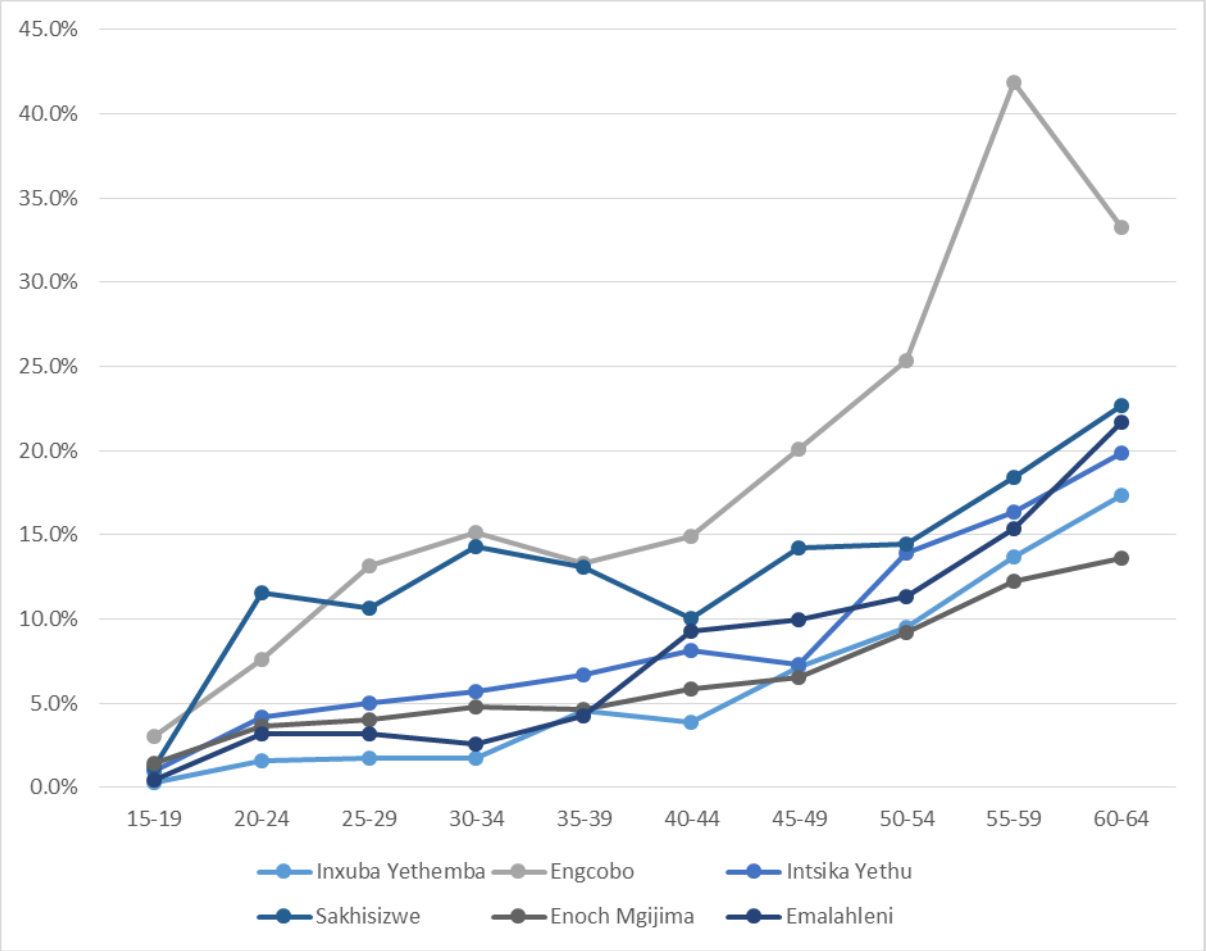


Chart 23 illustrates the age distribution of the CHDM population with no schooling according to the 2016 Community Survey. Relative to the total number of people within each age group, higher levels of no schooling still persists among the elderly compared to younger generations. This trend can be seen across South Africa and most developing countries. The overall trend for CHDM has remained similar between 2011 and 2016 except for Sakhisizwe LM and Engcobo LM which has a disproportionately high share of individuals with no schooling among those who are 25 to 39 years of age compared to the other local municipalities.

TABLE 17. Highest level of education: age 15+ - Chris Hani, Eastern Cape and National Total, 2015 [Numbers]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
No schooling	49,300	328,000	2,370,000	*15.0%*	*2.1%*
Grade 0-2	22,400	130,000	729,000	*17.2%*	*3.1%*
Grade 3-6	88,700	568,000	3,170,000	*15.6%*	*2.8%*
Grade 7-9	115,000	921,000	5,950,000	*12.5%*	*1.9%*
Grade 10-11	92,600	922,000	7,780,000	*10.0%*	*1.2%*
Certificate / diploma without	1,890	14,800	171,000	*12.8%*	*1.1%*

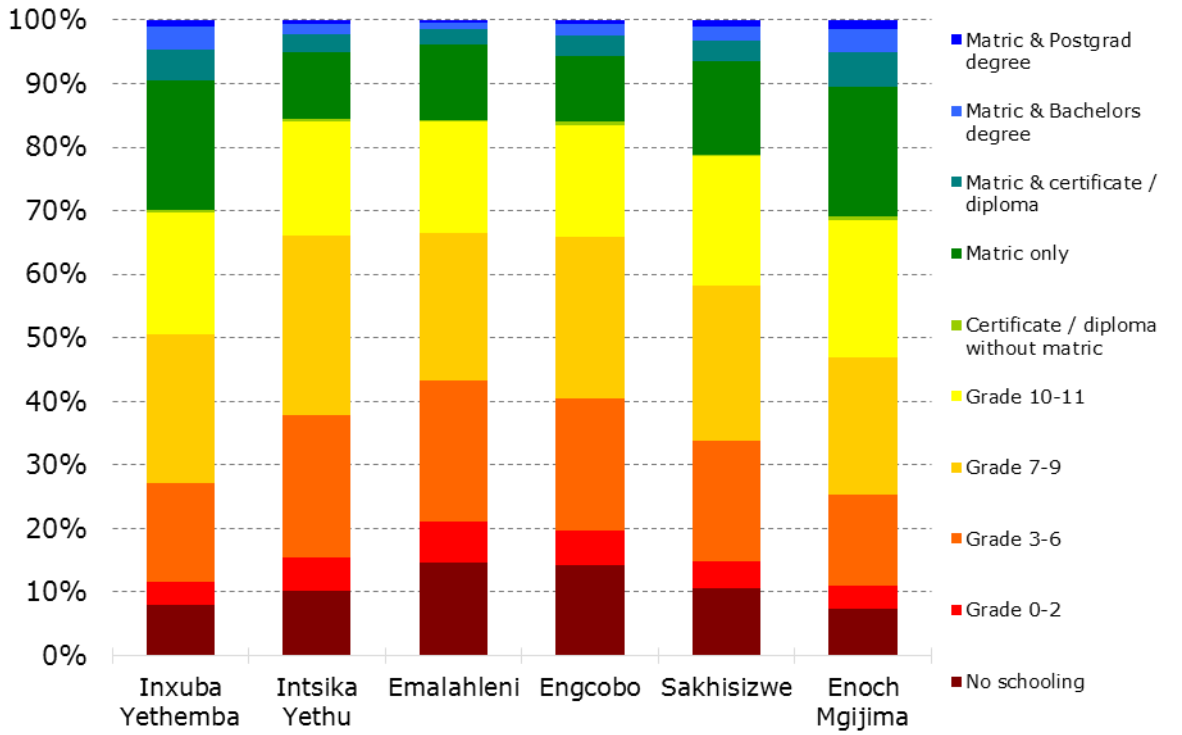
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	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
matric					
Matric only	73,200	818,000	9,790,000	*8.9%*	*0.7%*
Matric certificate / diploma	18,900	182,000	2,000,000	*10.4%*	*0.9%*
Matric Bachelors degree	11,800	125,000	1,490,000	*9.4%*	*0.8%*
Matric Postgrad degree	4,380	50,100	678,000	*8.7%*	*0.6%*

Source: IHS Global Insight Regional eXplorer version 1029

The number of people without any schooling in Chris Hani District Municipality accounts for 15.03% of the number of people without schooling in the province and a total share of 2.08% of national. In 2015, the 73,200 people in CHDM can be classified in the "matric only" categories which represents 8.94% of the province's population in the same category. The number of people with matric and a Postgrad degree constitutes 9.42% of the province.

TABLE 18. Highest level of education: age 15+, Inxuba Yethemba, Intsika Yethu, Emalahleni, Engcobo, Sakhisizwe and Enoch Mgijima local municipalities 2015 [Percentage]



Source: IHS Global Insight Regional eXplorer version 1029

5.2 Functional literacy

Definition: For the purpose of this report, IHS defines functional literacy as the number of people in a region that are 20 years and older and have completed at least their primary education (i.e. grade 7).

Functional literacy describes the reading and writing skills that are adequate for an individual to cope with the demands of everyday life - including the demands posed in the workplace. This is contrasted with illiteracy in the strictest sense, meaning the inability to read or write. Functional literacy enables individuals to enter the labour market and contribute towards economic growth thereby reducing poverty.

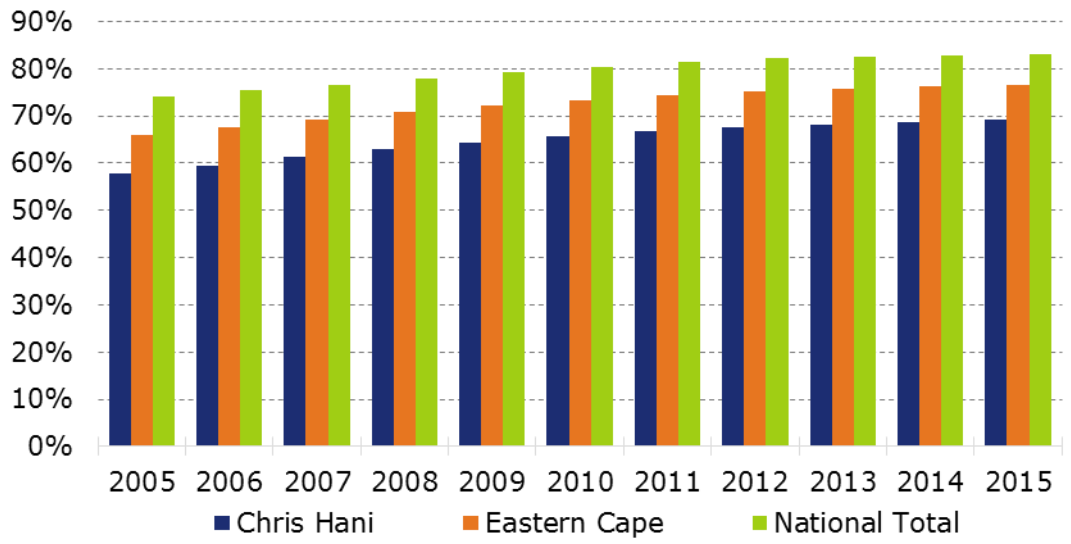
TABLE 19. Functional literacy: age 20+, completed grade 7 or higher - Chris Hani District Municipality, 2005-2015 [Number percentage]

	Illiterate	Literate	%
2005	218,371	298,943	57.8%
2006	210,065	309,329	59.6%
2007	202,810	320,573	61.3%
2008	195,498	332,121	62.9%
2009	189,534	342,900	64.4%
2010	184,615	352,086	65.6%
2011	179,329	360,410	66.8%
2012	175,752	365,951	67.6%
2013	173,321	371,603	68.2%
2014	171,640	377,375	68.7%
2015	170,274	383,388	69.2%
Average Annual growth			
2005-2015	***-2.46***%	***2.52***%	***1.83***%

Source: IHS Global Insight Regional eXplorer version 1029

A total of 383 000 individuals in Chris Hani District Municipality were considered functionally literate in 2015, while 170 000 people were considered to be illiterate. Expressed as a rate, this amounts to 69.25% of the population, which is an increase of 0.11 percentage points since 2005 (57.79%). The number of illiterate individuals decreased on average by 2.46% annually from 2005 to 2015, with the number of functional literate people increasing at 2.52% annually.

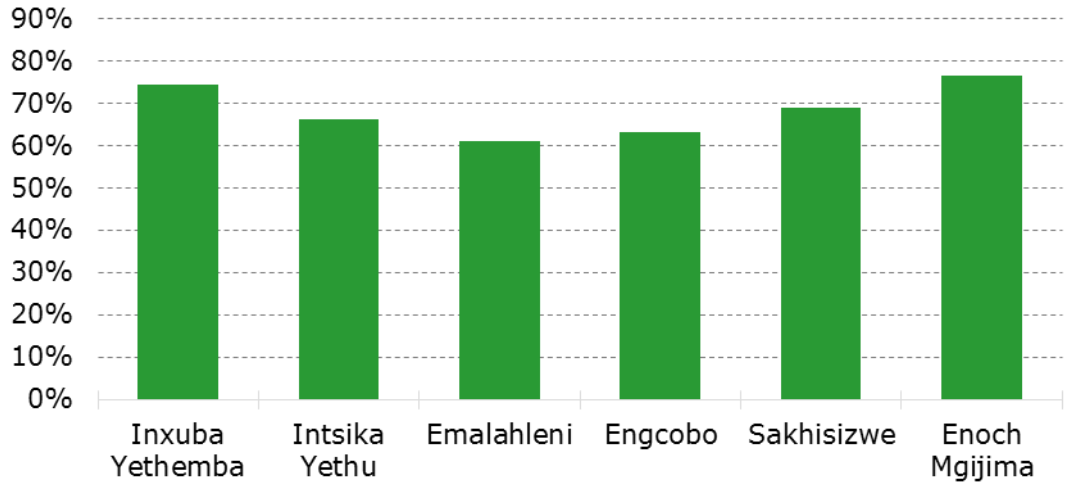
CHART 24. FUNCTIONAL LITERACY: AGE 20+, COMPLETED GRADE 7 OR HIGHER - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2005-2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

Chris Hani District Municipality's functional literacy rate of 69.25% in 2015 is lower than that of Eastern Cape at 76.49%. When comparing to National Total as whole, which has a functional literacy rate of 82.93%, it can be seen that the functional literacy rate is higher than that of the Chris Hani District Municipality.

CHART 25. LITERACY RATE - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO, SAKHISIZWE AND ENOCH MGIJIMA LOCAL MUNICIPALITIES, 2015 [PERCENTAGE]



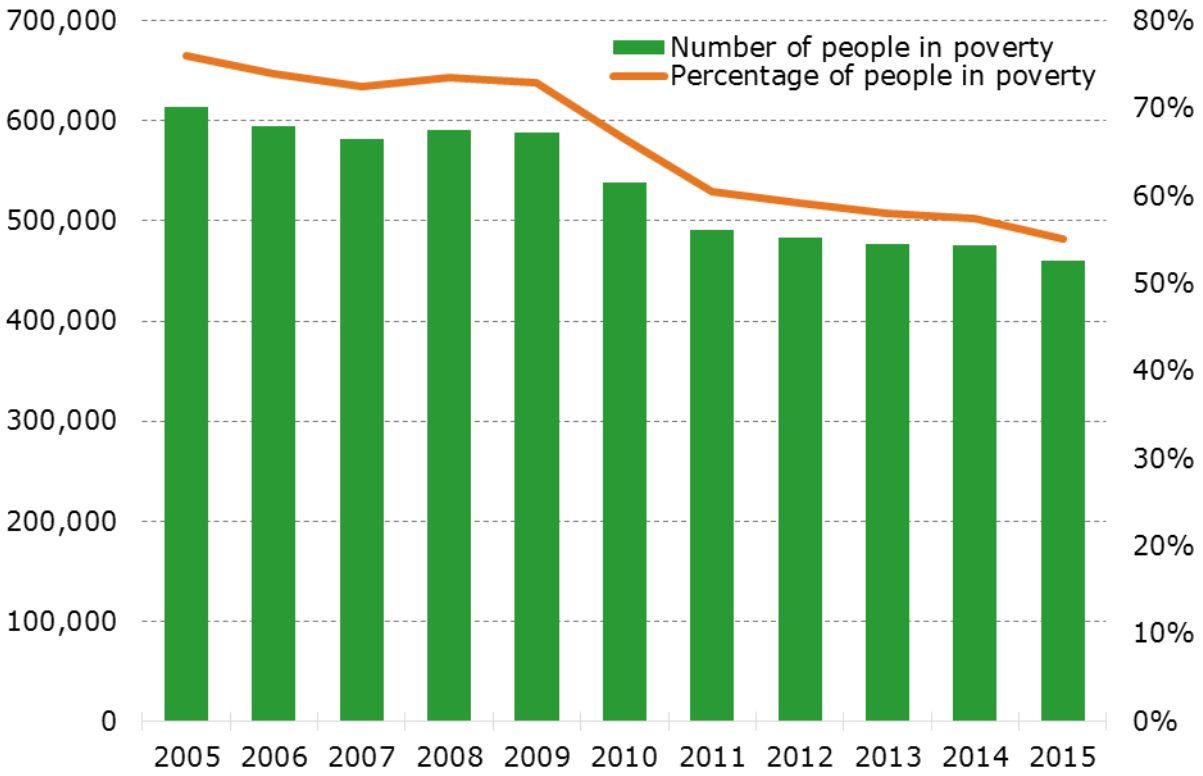
Source: IHS Global Insight Regional eXplorer version 1029

In terms of the literacy rate for each of the regions within the Chris Hani District Municipality, Enoch Mgijima local municipality had the highest literacy rate, with a total of 76.4%. The lowest literacy rate can be observed in the Emalahleni local municipality with a total of 61.1%.

6. **Poverty**

Definition: The upper poverty line is defined by StatsSA as the level of consumption at which individuals are able to purchase both sufficient food and non-food items without sacrificing one for the other. This variable measures the number of individuals living below that particular level of consumption for the given area, and is balanced directly to the official upper poverty rate as measured by StatsSA.

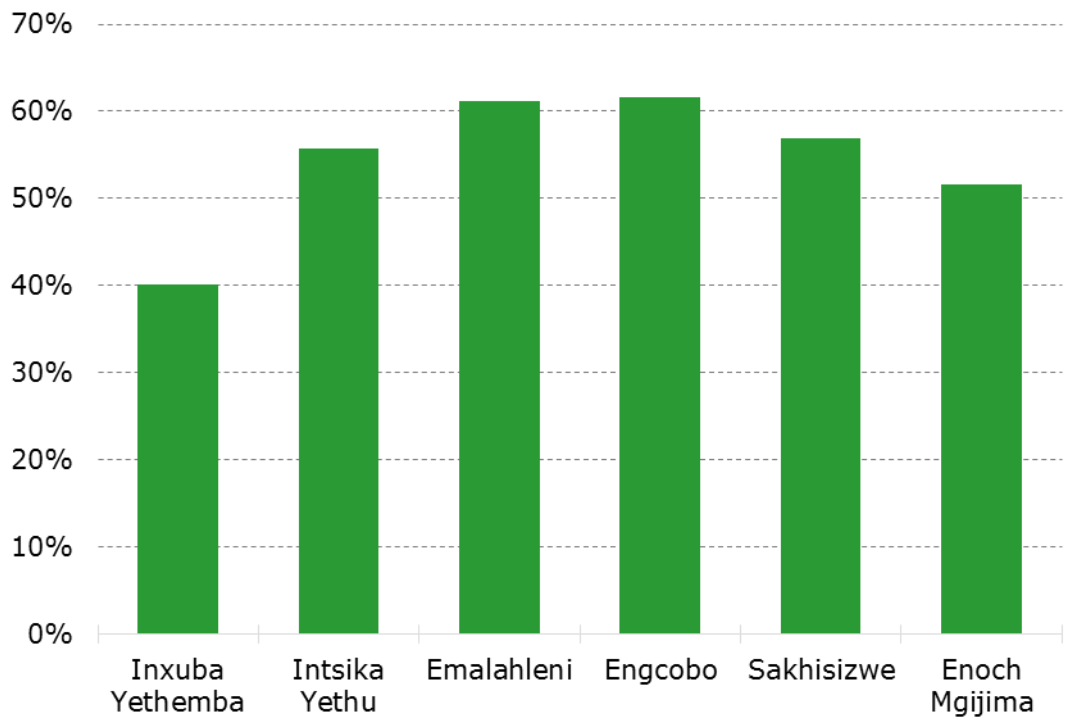
CHART 26. NUMBER AND PERCENTAGE OF PEOPLE LIVING IN POVERTY - CHRIS HANI DISTRICT MUNICIPALITY, 2005-2015 [NUMBER PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

In 2015, 460 000 people were living in poverty when measured using the upper poverty line definition across Chris Hani District Municipality. This is 25.06% lower than 614 000 in 2005. The percentage of people living in poverty has decreased from 76.06% in 2005 to 55.12% in 2015.

CHART 27. PERCENTAGE OF PEOPLE LIVING IN POVERTY - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO, SAKHISIZWE AND ENOCH MGIJIMA LOCAL MUNICIPALITIES,2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

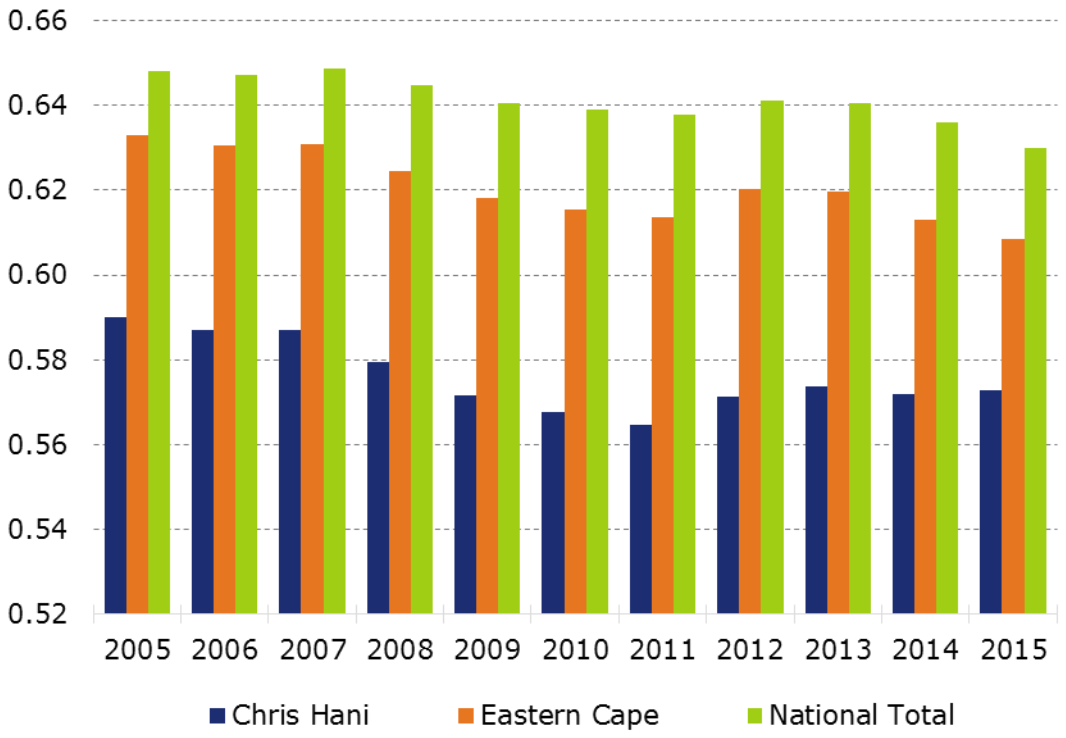
In terms of the percentage of people living in poverty for each of the regions within the Chris Hani District Municipality, Engcobo local municipality has the highest percentage of people living in poverty, using the upper poverty line definition, with a total of 61.5%. The lowest percentage of people living in poverty can be observed in the Inxuba Yethemba local municipality with a total of 40.2% living in poverty, using the upper poverty line definition.

7. **Gini Coefficient**

Definition: The Gini coefficient is a summary statistic of income inequality. It varies from 0 to 1.

If the Gini coefficient is equal to zero, income is distributed in a perfectly equal manner, in other words there is no variance between the high and low income earners within the population. In contrast, if the Gini coefficient equals 1, income is completely inequitable, i.e. one individual in the population is earning all the income and the rest has no income. Generally this coefficient lies in the range between 0.25 and 0.70.

CHART 28. GINI COEFFICIENT - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2005-2015 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 1029

In 2015, the Gini coefficient in Chris Hani District Municipality was at 0.573 and reflects a decrease over the ten-year period from 2005 to 2015. The Eastern Cape Province and South Africa, both had a more unequal spread of income amongst their residents (at 0.609 and 0.63 respectively) when compared to Chris Hani District Municipality.

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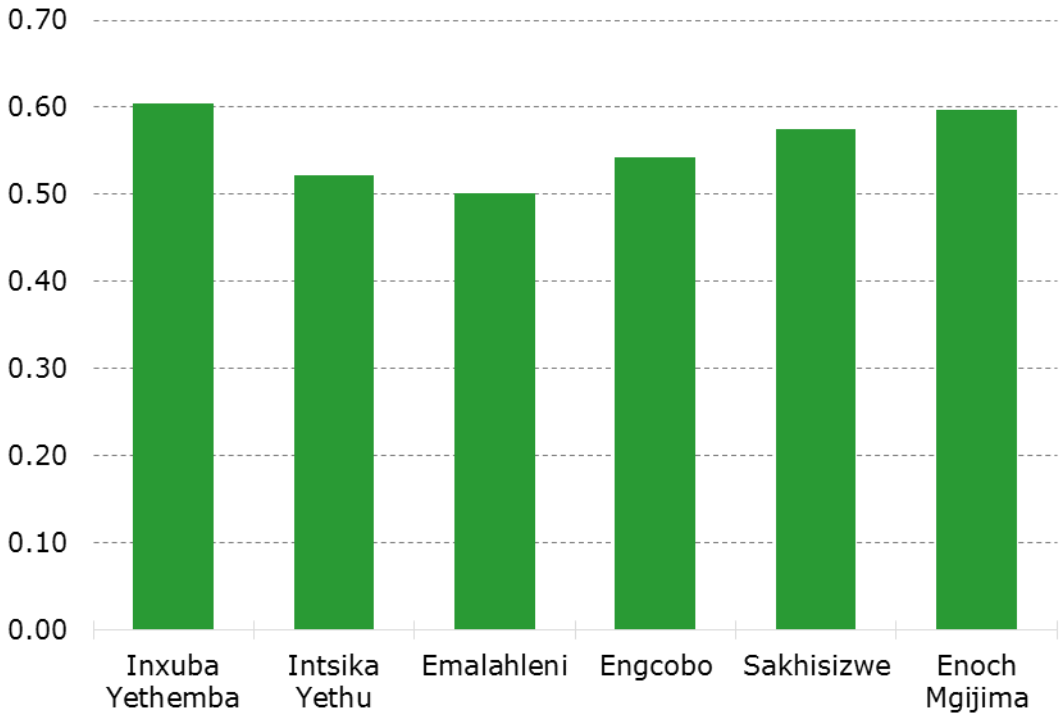
TABLE 20. Gini coefficient by population group - Chris Hani, 2005, 2015 [Number]

	African	White	Coloured
2005	0.55	0.48	0.57
2015	0.54	0.43	0.52
Average Annual growth			
2005-2015	***-0.2***%	***-1.1***%	***-0.98***%

Source: IHS Global Insight Regional eXplorer version 1029

When segmenting the Chris Hani District Municipality into population groups, it can be seen that the Gini coefficient for the African population group decreased the least amongst the population groups with an average annual growth rate of -0.20%. The Gini coefficient for the White population group decreased the most with an average annual growth rate of -1.10%. This implies that all the population groups have improved in terms of income equality within its own population group over the period.

CHART 29. GINI COEFFICIENT - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO, SAKHISIZWE AND ENOCH MGIJIMA LOCAL MUNICIPALITIES, 2015 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 1029

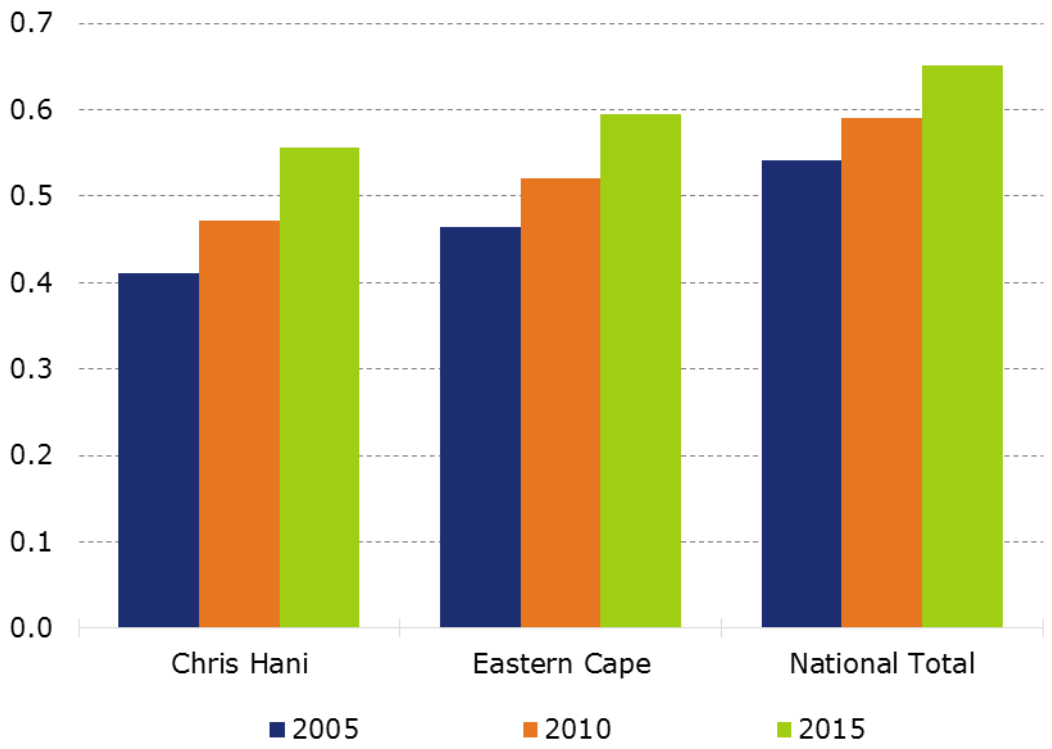
In terms of the Gini coefficient for each of the regions within the Chris Hani District Municipality, Inxuba Yethemba local municipality has the highest Gini coefficient, with an index value of 0.605. The lowest Gini coefficient can be observed in the Emalahleni local municipality with an index value of 0.502.

8. **Human Development Index (HDI)**

HDI is the combination of three basic dimensions of human development: A long and healthy life, knowledge and a decent standard of living. A long and healthy life is typically measured using life expectancy at birth. Knowledge is normally based on adult literacy and / or the combination of enrolment in primary, secondary and tertiary schools. In order to gauge a decent standard of living, we make use of GDP per capita.

Definition: The Human Development Index (HDI) is a composite relative index used to compare human development across population groups or regions. On a technical note, the HDI can have a maximum value of 1, indicating a very high level of human development, while the minimum value is 0, indicating no human development.

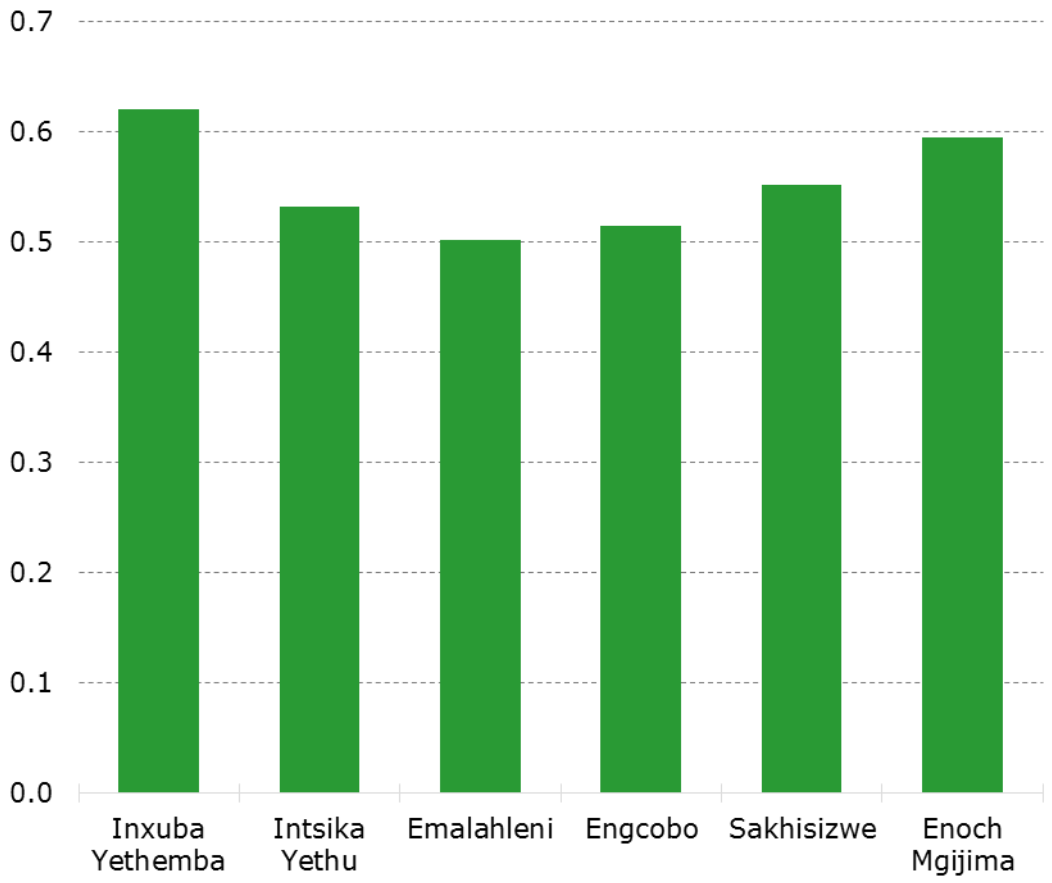
CHART 30. HUMAN DEVELOPMENT INDEX (HDI) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2005, 2010, 2015 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 1029

In 2015 Chris Hani District Municipality had an HDI of 0.556 compared to the Eastern Cape with a HDI of 0.594 and 0.652 of South Africa as a whole. Seeing that South Africa recorded a higher HDI in 2015 when compared to Chris Hani District Municipality which translates to worse human development for Chris Hani District Municipality compared to South Africa. South Africa's HDI increased at an average annual growth rate of 1.86% and this increase is lower than that of Chris Hani District Municipality (3.09%).

CHART 31. HUMAN DEVELOPMENT INDEX (HDI) - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO, SAKHISIZWE AND ENOCH MGIJIMA LOCAL MUNICIPALITIES, 2015 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 1029

In terms of the HDI for each of the regions within the Chris Hani District Municipality, Inxuba Yethemba local municipality has the highest HDI, with an index value of 0.62. The lowest can be observed in the Emalahleni local municipality with an index value of 0.501.

9. Labour Dynamics

The labour force of a country consists of everyone older than 16 and younger than 65 that are participating as workers, i.e. people who are actively employed or seeking employment. This is also called the economically active population (EAP). People not included are students, retired people, stay-at-home parents, people in prisons or similar institutions, people employed in jobs or professions with unreported income, as well as discouraged workers who cannot find work.

TABLE 21. Working age population in Chris Hani, Eastern Cape and National Total, 2005 and 2015 [Number]

	Chris Hani		Eastern Cape		National Total	
	2005	2015	2005	2015	2005	2015
15-19	110,000	75,800	810,000	637,000	5,340,000	4,550,000
20-24	76,400	78,300	694,000	712,000	5,150,000	5,110,000
25-29	54,400	73,700	509,000	679,000	4,380,000	5,660,000
30-34	35,900	60,200	345,000	570,000	3,460,000	5,150,000
35-39	31,400	45,500	292,000	407,000	2,910,000	4,030,000
40-44	33,900	31,600	294,000	284,000	2,600,000	2,990,000
45-49	34,700	28,900	285,000	248,000	2,260,000	2,490,000
50-54	30,200	32,000	237,000	253,000	1,830,000	2,240,000
55-59	25,800	33,100	201,000	246,000	1,470,000	1,940,000
60-64	25,300	28,000	172,000	203,000	1,150,000	1,570,000
Total	**458,121**	**487,142**	**3,838,059**	**4,239,339**	**30,554,969**	**35,730,681**

Source: IHS Global Insight Regional eXplorer version 1029

The working age population in Chris Hani in 2015 was 487 000, increasing at an average annual rate of 0.62% since 2005. For the same period the working age population for Eastern Cape Province increased by 1% annually, while that of South Africa increased at 1.58% annually.

9.1 Economically Active Population (EAP)

The economically active population (EAP) is a good indicator of how many of the total working age population are in reality participating in the labour market of a region. If a person is economically active, he or she forms part of the labour force.

Definition: The economically active population (EAP) is defined as the number of people (between the age of 15 and 65) who are able and willing to work, and who are actively looking for work. It includes both employed and unemployed people. People, who recently have not taken any active steps to find employment, are not included in the measure. These people may (or may not) consider themselves unemployed. Regardless, they are counted as discouraged work seekers, and thus form part of the non-economically active population.

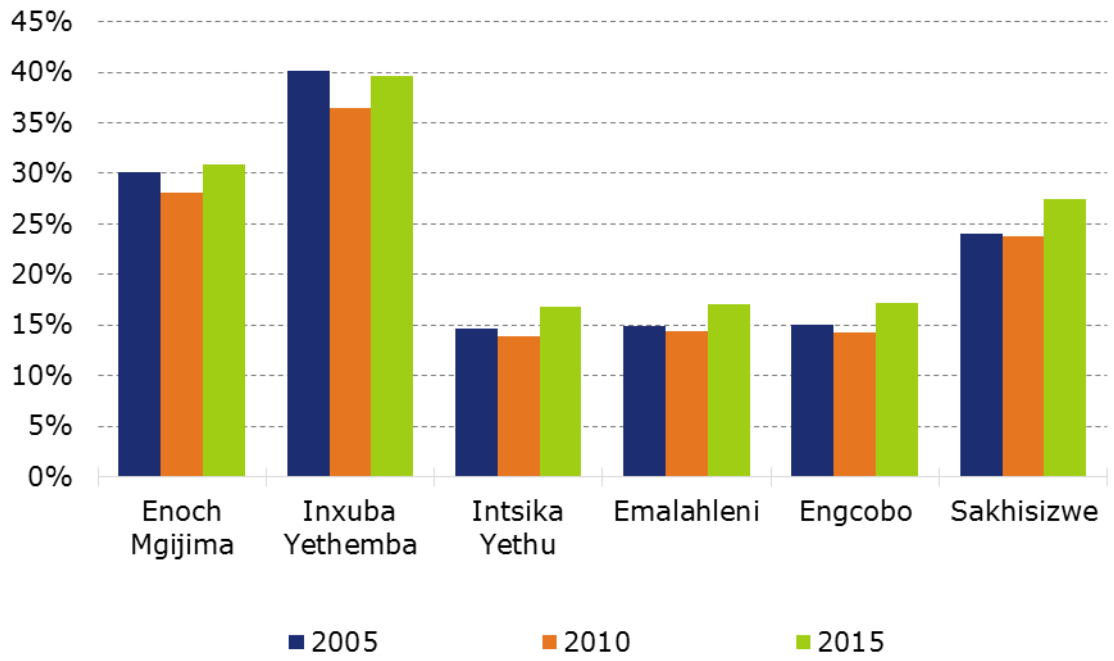
TABLE 22. Economically active population (EAP) - Chris Hani, Eastern Cape and National Total, 2005-2015 [number, percentage]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2005	179,000	1,800,000	17,100,000	*10.0%*	*1.05%*
2006	183,000	1,840,000	17,500,000	*9.9%*	*1.05%*
2007	183,000	1,850,000	18,000,000	*9.9%*	*1.02%*
2008	182,000	1,840,000	18,400,000	*9.9%*	*0.99%*
2009	177,000	1,790,000	18,300,000	*9.9%*	*0.96%*
2010	170,000	1,730,000	18,100,000	*9.8%*	*0.94%*
2011	170,000	1,740,000	18,300,000	*9.8%*	*0.92%*
2012	172,000	1,770,000	18,700,000	*9.7%*	*0.92%*
2013	182,000	1,840,000	19,300,000	*9.9%*	*0.94%*
2014	194,000	1,940,000	20,100,000	*10.0%*	*0.97%*
2015	201,000	1,990,000	20,700,000	*10.1%*	*0.97%*
Average Annual growth					
2005-2015	***1.16***%	***1.01***%	***1.92***%		

Source: IHS Global Insight Regional eXplorer version 1029

Chris Hani District Municipality's EAP was 201 000 in 2015, which is 24.13% of its total population of 834 000, and roughly 10.11% of the total EAP of the Eastern Cape Province. From 2005 to 2015, the average annual increase in the EAP in the Chris Hani District Municipality was 1.16%, which is 0.154 percentage points higher than the growth in the EAP of Eastern Cape's for the same period.

CHART 32. EAP AS % OF TOTAL POPULATION - ENOCH MGIJIMA AND THE REST OF CHRIS HANI, 2005, 2010, 2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

9.2 Labour Force Participation Rate

Definition: The labour force participation rate (LFPR) is the Economically Active Population (EAP) expressed as a percentage of the total working age population.

The following is the labour participation rate of the Chris Hani, Eastern Cape and National Total as a whole.

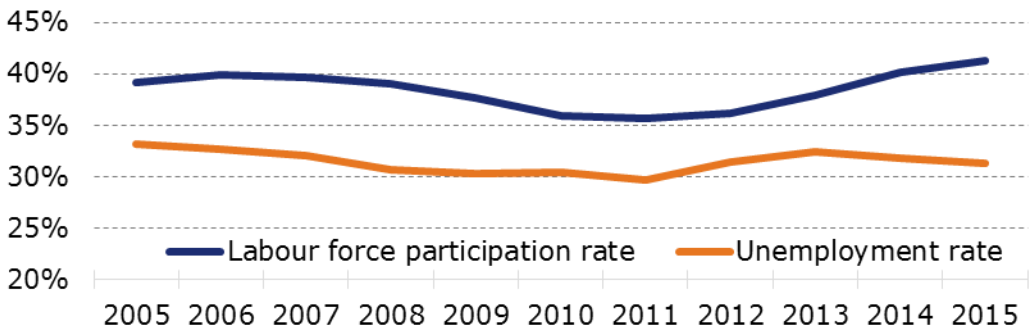
TABLE 23. The labour force participation rate - Chris Hani, Eastern Cape and National Total, 2005-2015 [percentage]

	Chris Hani	Eastern Cape	National Total
2005	39.2%	46.9%	55.9%
2006	39.9%	47.6%	56.4%
2007	39.7%	47.3%	57.0%
2008	39.1%	46.5%	57.4%
2009	37.7%	44.9%	56.2%
2010	36.0%	42.9%	54.5%
2011	35.7%	42.6%	54.3%
2012	36.2%	43.1%	54.7%
2013	37.9%	44.4%	55.7%
2014	40.2%	46.2%	57.1%
2015	41.3%	47.0%	57.9%

Source: IHS Global Insight Regional eXplorer version 1029

The Chris Hani District Municipality's labour force participation rate increased from 39.15% to 41.32% which is an increase of 2.2 percentage points. The Eastern Cape Province increased from 46.92% to 46.95%, South Africa increased from 55.93% to 57.85% from 2005 to 2015. The Chris Hani District Municipality labour force participation rate exhibited a higher percentage point change compared to the Eastern Cape Province from 2005 to 2015. The Chris Hani District Municipality had a lower labour force participation rate when compared to South Africa in 2015.

CHART 33. THE LABOUR FORCE PARTICIPATION RATE - CHRIS HANI DISTRICT MUNICIPALITY, 2005-2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

In 2015 the labour force participation rate for Chris Hani was at 41.3% which is slightly higher when compared to the 39.2% in 2005. The unemployment rate is an efficient indicator that measures the success rate of the labour force relative to employment. In 2005, the unemployment rate for Chris Hani was 33.2% and decreased overtime to 31.3% in 2015. The gap between the labour force participation rate and the unemployment rate decreased which indicates a negative outlook for the employment within Chris Hani District Municipality.

9.3 Total Employment

Employment data is a key element in the estimation of unemployment. In addition, trends in employment within different sectors and industries normally indicate significant structural changes in the economy. Employment data is also used in the calculation of productivity, earnings per worker, and other economic indicators.

Definition: Total employment consists of two parts: employment in the formal sector, and employment in the informal sector

TABLE 24. Total employment - Chris Hani, Eastern Cape and National Total, 2005-2015 [numbers]

	Chris Hani	Eastern Cape	National Total
2005	116,000	1,290,000	12,500,000
2006	120,000	1,330,000	13,000,000
2007	121,000	1,350,000	13,500,000
2008	123,000	1,350,000	14,100,000
2009	120,000	1,320,000	14,000,000
2010	115,000	1,260,000	13,600,000
2011	115,000	1,260,000	13,800,000

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	Chris Hani	Eastern Cape	National Total
2012	114,000	1,270,000	14,000,000
2013	118,000	1,310,000	14,500,000
2014	127,000	1,370,000	15,100,000
2015	133,000	1,410,000	15,400,000
Average Annual growth			
2005-2015	***1.34***%	***0.93***%	***2.07***%

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, Chris Hani employed 133 000 people which is 9.41% of the total employment in Eastern Cape Province (1.41 million), 0.86% of total employment in South Africa (15.4 million). Employment within Chris Hani increased annually at an average rate of 1.34% from 2005 to 2015. The Chris Hani District Municipality average annual employment growth rate of 1.34% exceeds the average annual labour force growth rate of 1.16% resulting in unemployment decreasing from 33.21% in 2005 to 31.27% in 2015 in the district municipality.

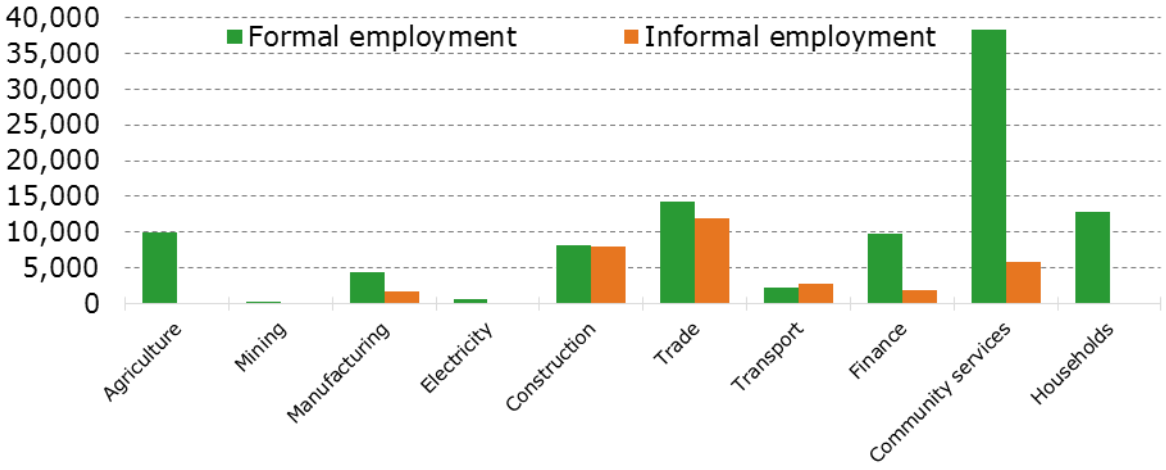
In Chris Hani District Municipality the economic sectors that recorded the largest number of employment in 2015 were the community services sector with a total of 44 000 employed people or 33.2% of total employment in the district municipality. The trade sector with a total of 26 200 (19.7%) employs the second highest number of people relative to the rest of the sectors. The mining sector with 126 (0.1%) is the sector that employs the least number of people in Chris Hani District Municipality, followed by the electricity sector with 653 (0.5%) people employed.

9.4 Formal and Informal employment

Total employment can be broken down into formal and informal sector employment. Formal sector employment is measured from the formal business side, and the informal employment is measured from the household side where formal businesses have not been established.

The number of formally employed people in Chris Hani District Municipality counted 101 000 in 2015, which is about 75.91% of total employment, while the number of people employed in the informal sector counted 32 000 or 24.09% of the total employment. Informal employment in Chris Hani increased from 29 900 in 2005 to an estimated 32 000 in 2015.

CHART 34. FORMAL AND INFORMAL EMPLOYMENT BY BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2015 [NUMBERS]



Source: IHS Global Insight Regional eXplorer version 1029

In 2015 the Trade sector recorded the highest number of informally employed, with a total of 11 900 employees or 37.33% of the total informal employment. This can be expected as the barriers to enter the Trade sector in terms of capital and skills required is less than with most of the other sectors. The Manufacturing sector has the lowest informal employment with 1 630 and only contributes 5.09% to total informal employment.

TABLE 25. Formal and informal employment by broad economic sector - Chris Hani District Municipality, 2015 [numbers]

	Formal employment	Informal employment
Agriculture	10,000	N/A
Mining	125	N/A
Manufacturing	4,420	1,630
Electricity	653	N/A
Construction	8,200	8,020
Trade	14,300	11,900
Transport	2,180	2,780
Finance	9,780	1,820
Community services	38,300	5,780
Households	12,800	N/A

Source: IHS Global Insight Regional eXplorer version 1029

9.5 Unemployment

Definition: The unemployed includes all persons between 15 and 65 who are currently not working, but who are actively looking for work. It therefore excludes people who are not actively seeking work (referred to as discouraged work seekers).

TABLE 26. Unemployment (official definition) - Chris Hani, Eastern Cape and National Total, 2005-2015 [Number percentage]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2005	59,600	515,000	4,550,000	*11.6%*	*1.31%*
2006	59,800	512,000	4,510,000	*11.7%*	*1.33%*
2007	58,700	503,000	4,460,000	*11.7%*	*1.32%*
2008	55,800	488,000	4,350,000	*11.4%*	*1.28%*
2009	53,600	483,000	4,370,000	*11.1%*	*1.23%*
2010	51,700	480,000	4,490,000	*10.8%*	*1.15%*
2011	50,400	485,000	4,570,000	*10.4%*	*1.10%*
2012	54,300	508,000	4,690,000	*10.7%*	*1.16%*
2013	58,800	542,000	4,850,000	*10.9%*	*1.21%*
2014	61,800	569,000	5,060,000	*10.9%*	*1.22%*
2015	62,900	584,000	5,280,000	*10.8%*	*1.19%*
Average Annual growth					
2005-2015	***0.55%***	***1.27%***	***1.50%***		

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, there were a total number of 62 900 people unemployed in Chris Hani, which is an increase of 3 380 from 59 600 in 2005. The total number of unemployed people within Chris Hani constitutes 10.77% of the total number of unemployed people in Eastern Cape Province. The Chris Hani District Municipality experienced an average annual increase of 0.55% in the number of unemployed people, which is lower than that of the Eastern Cape Province which had an average annual increase in unemployment of 1.27%.

TABLE 27. Unemployment rate (official definition) - Chris Hani, Eastern Cape and National Total, 2005-2015 [Percentage]

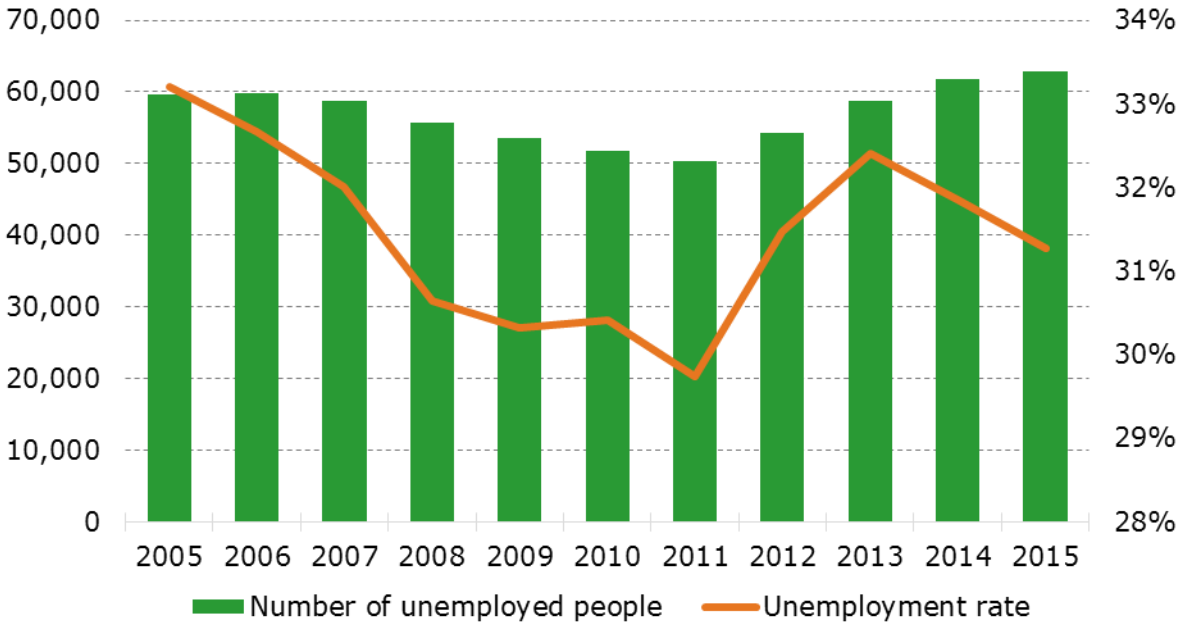
	Chris Hani	Eastern Cape	National Total
2005	33.2%	28.6%	26.6%
2006	32.7%	27.8%	25.8%
2007	32.0%	27.2%	24.8%
2008	30.6%	26.6%	23.6%
2009	30.3%	26.9%	23.8%
2010	30.4%	27.7%	24.8%
2011	29.7%	27.9%	24.9%
2012	31.5%	28.7%	25.0%

	Chris Hani	Eastern Cape	National Total
2013	32.4%	29.4%	25.1%
2014	31.8%	29.4%	25.1%
2015	31.3%	29.4%	25.5%

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, the unemployment rate in Chris Hani District Municipality (based on the official definition of unemployment) was 31.27%.

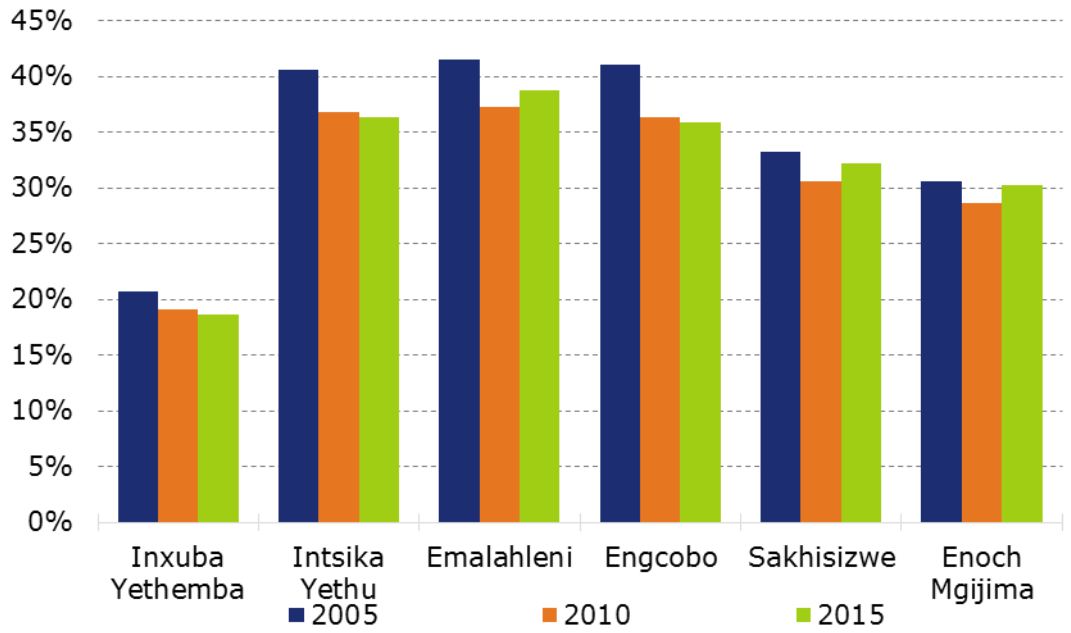
CHART 35. UNEMPLOYMENT AND UNEMPLOYMENT RATE (OFFICIAL DEFINITION) - CHRIS HANI DISTRICT MUNICIPALITY, 2005-2015 [NUMBER PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

When comparing unemployment rates among regions within Chris Hani District Municipality, Emalahleni local municipality has indicated the highest unemployment rate of 38.8%, which has decreased from 41.6% in 2005. It can be seen that the Inxuba Yethemba local municipality had the lowest unemployment rate of 18.6% in 2015, which decreased from 20.7% in 2005.

CHART 36. UNEMPLOYMENT RATE - INXUBA YETHEMBA, INTSIKA YETHU, EMALAHLENI, ENGCOBO, SAKHISIZWE AND ENOCH MGIJIMA LOCAL MUNICIPALITIES, 2005, 2010 AND 2015 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

10. **Economic Activity**

The section will also allude to the economic composition and contribution of the regions within Chris Hani District Municipality. The Chris Hani District Municipality does not function in isolation from Eastern Cape, South Africa and the world. The Chris Hani Regional Economic Development Strategy ("CHDM REDS") recognizes the region's major economic sectors, in terms of contribution to the regional economy and gross domestic product ("GDP"), as:

- Agriculture and agro-processing.
- Mining.
- Manufacturing.
- Tourism and heritage.
- Wholesale and retail sector.

10.1 Gross Domestic Product by Region (GDP-R)

The Gross Domestic Product (GDP), an important indicator of economic performance, is used to compare economies and economic states.

Definition: Gross Domestic Product by Region (GDP-R) represents the value of all goods and services produced within a region, over a period of one year, plus taxes and minus subsidies.

GDP-R can be measured using either current or constant prices, where the current prices measures the economy in actual Rand, and constant prices measures the economy by removing the effect of inflation, and therefore captures the real growth in volumes, as if prices were fixed in a given base year.

TABLE 28. Gross Domestic Product (GDP) - Chris Hani, Eastern Cape and National Total, 2005-2015 [R billions, Current prices]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2005	9.6	125.8	1,639.3	*7.6%*	*0.58%*
2006	10.7	142.2	1,839.4	*7.6%*	*0.58%*
2007	13.0	168.2	2,109.5	*7.7%*	*0.62%*
2008	13.3	174.1	2,369.1	*7.6%*	*0.56%*
2009	15.0	191.2	2,507.7	*7.8%*	*0.60%*
2010	16.8	211.6	2,748.0	*7.9%*	*0.61%*
2011	18.0	226.1	3,023.7	*8.0%*	*0.60%*
2012	20.1	252.2	3,254.0	*8.0%*	*0.62%*
2013	21.8	274.3	3,549.2	*7.9%*	*0.61%*
2014	23.1	290.6	3,812.6	*7.9%*	*0.61%*
2015	24.6	307.5	4,013.6	*8.0%*	*0.61%*

Source: IHS Global Insight Regional eXplorer version 1029

With a GDP of R 24.6 billion in 2015 (up from R 9.57 billion in 2005), the Chris Hani District Municipality contributed 7.99% to the Eastern Cape Province GDP.

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TABLE 29. Gross Domestic Product (GDP) - Chris Hani, Eastern Cape and National Total, 2005-2015 [Annual percentage change, Constant 2010 prices]

	Chris Hani	Eastern Cape	National Total
2005	3.3%	5.0%	5.1%
2006	2.5%	5.3%	5.3%
2007	6.7%	5.3%	5.4%
2008	2.2%	3.2%	3.2%
2009	1.1%	-1.0%	-1.5%
2010	2.2%	2.4%	3.0%
2011	3.1%	3.7%	3.3%
2012	1.1%	2.0%	2.2%
2013	0.7%	1.2%	2.3%
2014	1.3%	1.0%	1.6%
2015	0.6%	0.5%	1.2%
Average Annual growth 2005-2015+	***2.15*%**	***2.34*%**	***2.58*%**

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, the Chris Hani District Municipality achieved an annual growth rate of 0.62% which is a very similar GDP growth than the Eastern Cape Province's 0.48%. Similar to the short-term growth rate of 2015, the longer-term average growth rate for Chris Hani (2.15%) is also slightly lower than that of South Africa (2.58%). The economic growth in Chris Hani peaked in 2007 at 6.66%.

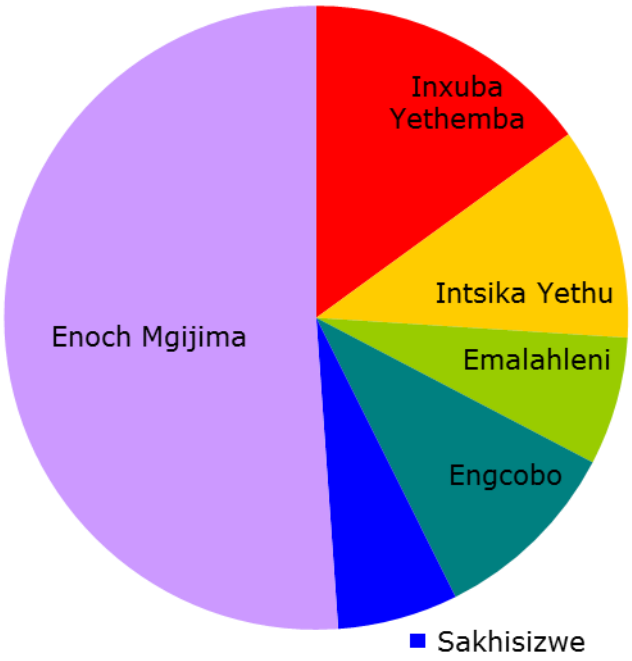
TABLE 30. Gross Domestic Product (GDP) - local municipalities of Chris Hani District Municipality, 2005 to 2015, share and growth

	2015 (Current prices)	Share of district municipality	2005 (Constant prices)	2015 (Constant prices)	Average Annual growth
Inxuba Yethemba	3.68	*14.99%*	1.85	2.69	***3.82*%**
Intsika Yethu	2.71	*11.03%*	1.60	1.98	***2.15*%**
Emalahleni	1.63	*6.65%*	1.10	1.19	***0.81*%**
Engcobo	2.45	*9.96%*	1.48	1.80	***2.00*%**
Sakhisizwe	1.54	*6.25%*	1.03	1.12	***0.86*%**
Enoch Mgijima	12.56	*51.12%*	7.50	9.22	***2.08*%**
Chris Hani	24.56		14.55	17.99	

Source: IHS Global Insight Regional eXplorer version 1029

Inxuba Yethemba had the highest average annual economic growth, averaging 3.82% between 2005 and 2015, when compared to the rest of the regions within the Chris Hani District Municipality. The Intsika Yethu local municipality had the second highest average annual growth rate of 2.15%. Emalahleni local municipality had the lowest average annual growth rate of 0.81% between 2005 and 2015.

CHART 37. GDP CONTRIBUTION - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2015 [CURRENT PRICES, PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

The greatest contributor to the Chris Hani District Municipality economy is the Enoch Mgijima local municipality with a share of 51.12% or R 12.6 billion, increasing from R 4.95 billion in 2005. The economy with the lowest contribution is the Sakhisizwe local municipality with R 1.54 billion growing from R 660 million in 2005.

10.2 Gross Value Added by Region (GVA-R)

The Chris Hani District Municipality's economy is made up of various industries. The GVA-R variable provides a sector breakdown, where each sector is measured in terms of its *value added* produced in the local economy. Gross Value Added (GVA) is a measure of output (total production) of a region in terms of the value that was created within that region. GVA can be broken down into various production sectors. The summary table below puts the Gross Value Added (GVA) of all the regions in perspective to that of the Chris Hani District Municipality.

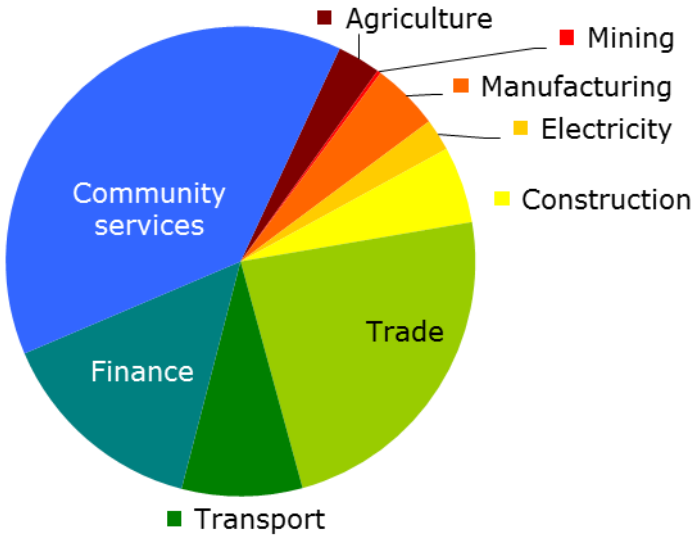
TABLE 31. Gross Value Added (GVA) by broad economic sector - Chris Hani District Municipality, 2015 [R billions, current prices]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
Agriculture	0.7	5.1	85.1	*13.1%*	*0.79%*
Mining	0.1	0.7	286.0	*8.1%*	*0.02%*
Manufacturing	1.1	31.1	474.5	*3.4%*	*0.22%*
Electricity	0.5	5.7	131.6	*8.7%*	*0.38%*
Construction	1.2	12.9	145.3	*9.2%*	*0.82%*
Trade	5.3	58.0	539.0	*9.2%*	*0.99%*
Transport	1.9	26.4	368.0	*7.1%*	*0.51%*
Finance	3.3	53.5	739.1	*6.2%*	*0.45%*
Community services	8.7	81.7	821.2	*10.6%*	*1.06%*
Total Industries	**22.7**	**275.1**	**3,589.8**	***8.2%***	***0.63%***

Source: IHS Global Insight Regional eXplorer version 1029

In 2015, the community services sector is the largest within Chris Hani District Municipality accounting for R 8.69 billion or 38.4% of the total GVA in the district municipality's economy. The sector that contributes the second most to the GVA of the Chris Hani District Municipality is the trade sector at 23.4%, followed by the finance sector with 14.5%. The sector that contributes the least to the economy of Chris Hani District Municipality is the mining sector with a contribution of R 56.9 million or 0.25% of the total GVA.

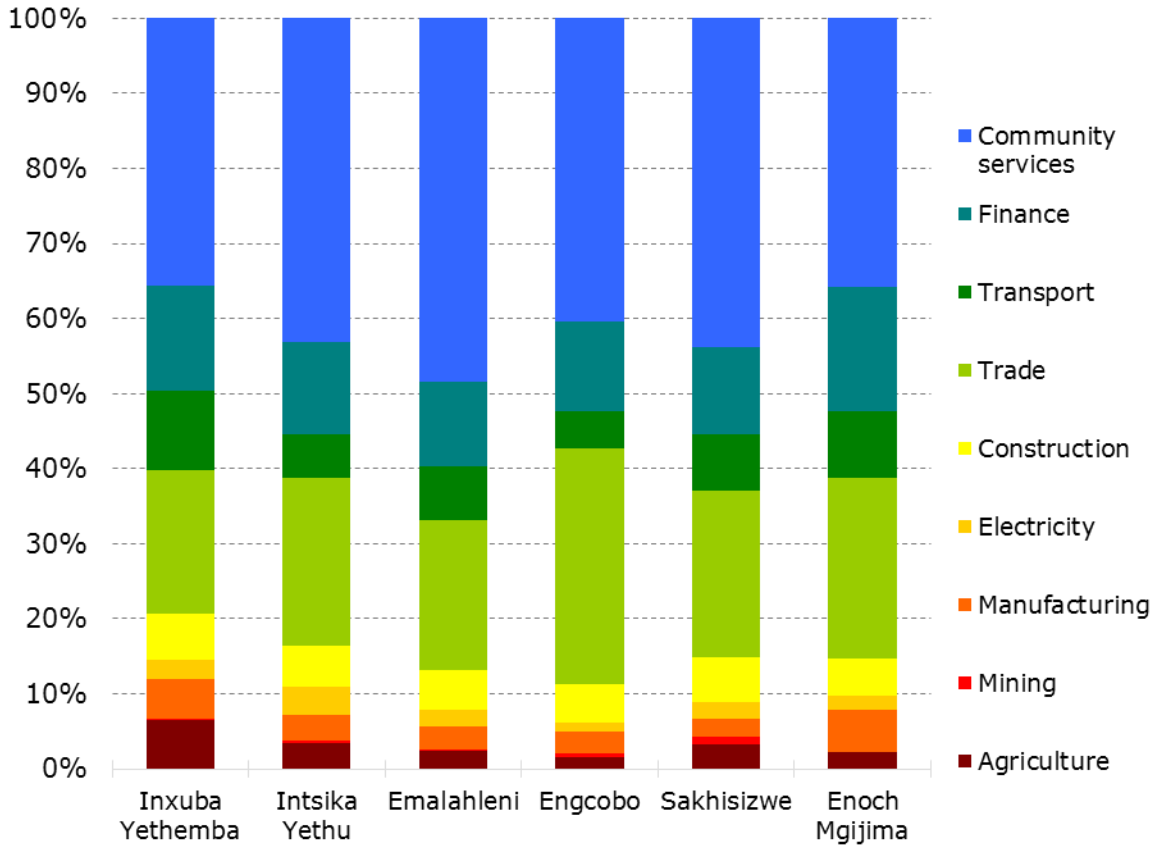
CHART 38. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2015 [PERCENTAGE COMPOSITION]



Source: IHS Global Insight Regional eXplorer version 1029

The community sector, which includes the government services, is generally a large contributor towards GVA in smaller and more rural local municipalities. When looking at the regions within Chris Hani District Municipality it is clear that community services sector within the Enoch Mgijima local municipality contributed 48.02% towards its own GVA. The Enoch Mgijima local municipality contributed R 11.7 billion or 51.43% to the GVA of Chris Hani District Municipality. The region within Chris Hani District Municipality that contributes the most to the GVA of the district municipality was the Inxuba Yethemba local municipality with a total of R 3.41 billion or 15.04%.

CHART 39. GROSS VALUE ADDED (GVA) BY BROAD ECONOMIC SECTOR - LOCAL MUNICIPALITIES OF CHRIS HANI DISTRICT MUNICIPALITY, 2015 [PERCENTAGE COMPOSITION]



Source: IHS Global Insight Regional eXplorer version 1029

For the period 2015 and 2005, the GVA in the agriculture sector had the highest average annual growth rate in Chris Hani at 5.21%. The industry with the second highest average annual growth rate is the construction sector averaging at 5.19% per year. The manufacturing sector had an average annual growth rate of 0.73%, while the mining sector had the lowest average annual growth of 1.94%. Overall a positive growth existed for all the industries in 2015 with an annual growth rate of 0.55% since 2014.

TABLE 32. Gross Value Added (GVA) by broad economic sector - Chris Hani District Municipality, 2005, 2010 and 2015 [R millions, 2010 constant prices]

	2005	2010	2015	Average Annual growth
Agriculture	284.9	402.5	473.6	***5.21***%
Mining	55.9	45.8	45.9	***-1.94***%
Manufacturing	825.6	907.9	888.2	***0.73***%
Electricity	211.0	236.2	227.5	***0.76***%
Construction	462.6	700.1	767.3	***5.19***%
Trade	2,938.1	3,426.5	3,828.2	***2.68***%
Transport	1,047.5	1,198.8	1,286.0	***2.07***%
Finance	1,774.7	2,139.9	2,629.9	***4.01***%

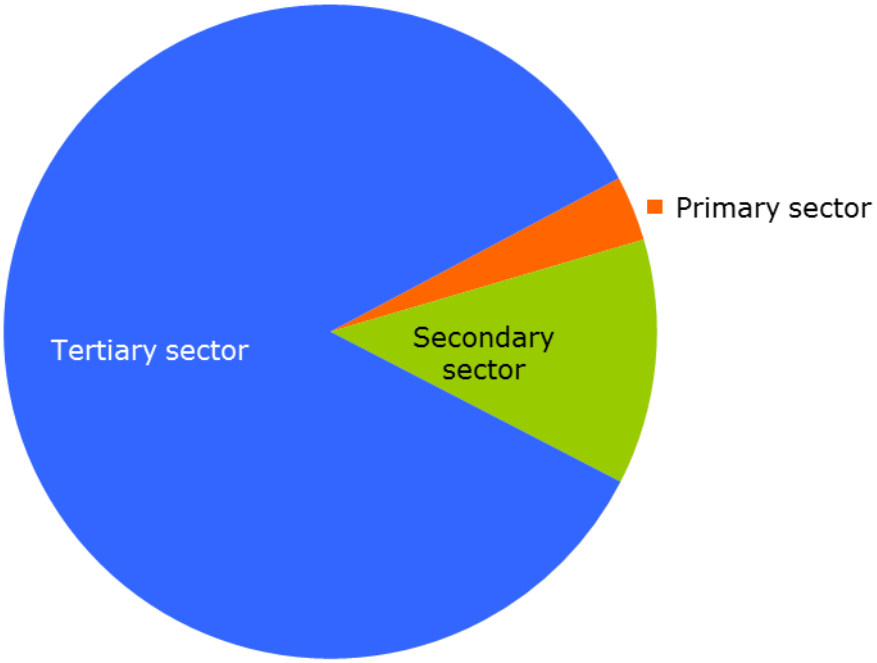
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	2005	2010	2015	Average Annual growth
Community services	5,803.8	6,594.0	6,591.4	***1.28%***
Total Industries	**13,404.0**	**15,651.8**	**16,738.1**	***2.25%***

Source: IHS Global Insight Regional eXplorer version 1029

The tertiary sector contributes the most to the Gross Value Added within the Chris Hani District Municipality at 84.6%. This is significantly higher than the national economy (68.7%). The secondary sector contributed a total of 12.1% (ranking second), while the primary sector contributed the least at 3.2%.

CHART 40. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2015 [PERCENTAGE]

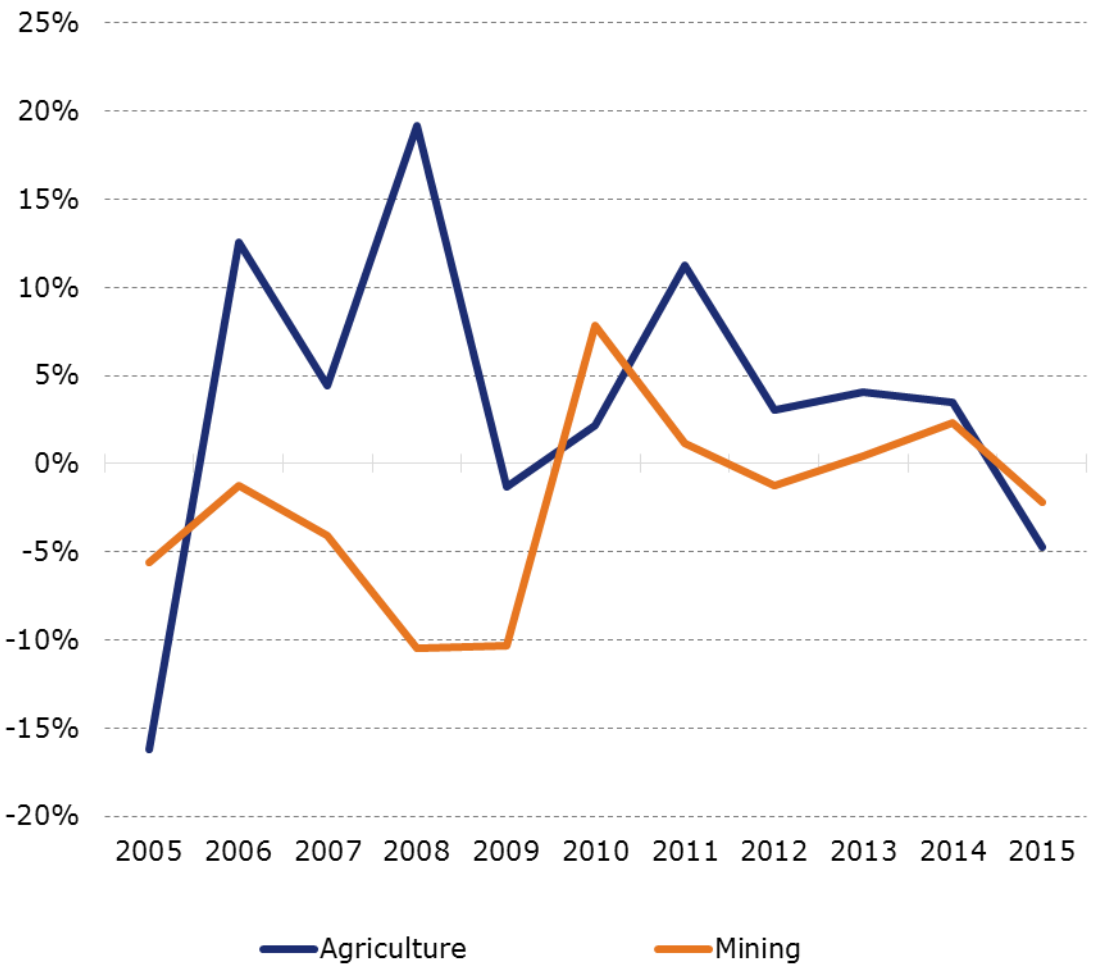


Source: IHS Global Insight Regional eXplorer version 1029

10.2.1 Primary Sector

The primary sector consists of two broad economic sectors namely the mining and the agricultural sector. The following chart represents the average growth rate in the GVA for both of these sectors in Chris Hani District Municipality from 2005 to 2015.

CHART 41. GROSS VALUE ADDED (GVA) BY PRIMARY SECTOR - CHRIS HANI, 2005-2015 [ANNUAL PERCENTAGE CHANGE]



Source: IHS Global Insight Regional eXplorer version 1029

Between 2005 and 2015, the agriculture sector experienced the highest positive growth in 2008 with an average growth rate of 19.2%. The mining sector reached its highest point of growth of 7.8% in 2010. The agricultural sector experienced the lowest growth for the period during 2005 at -16.2%, while the mining sector reaching its lowest point of growth in 2008 at -10.5%.

Although the mining and agriculture sectors are small in terms of GVA contribution compared to the other sectors, the agricultural sector provides significantly more employment opportunities. As indicated above, the mining sector in CHDM is very volatile and easily susceptible to market price fluctuations.

Within the district, only seven mining companies own sites that are currently operational as defined and registered with the Department of Minerals and Energy:

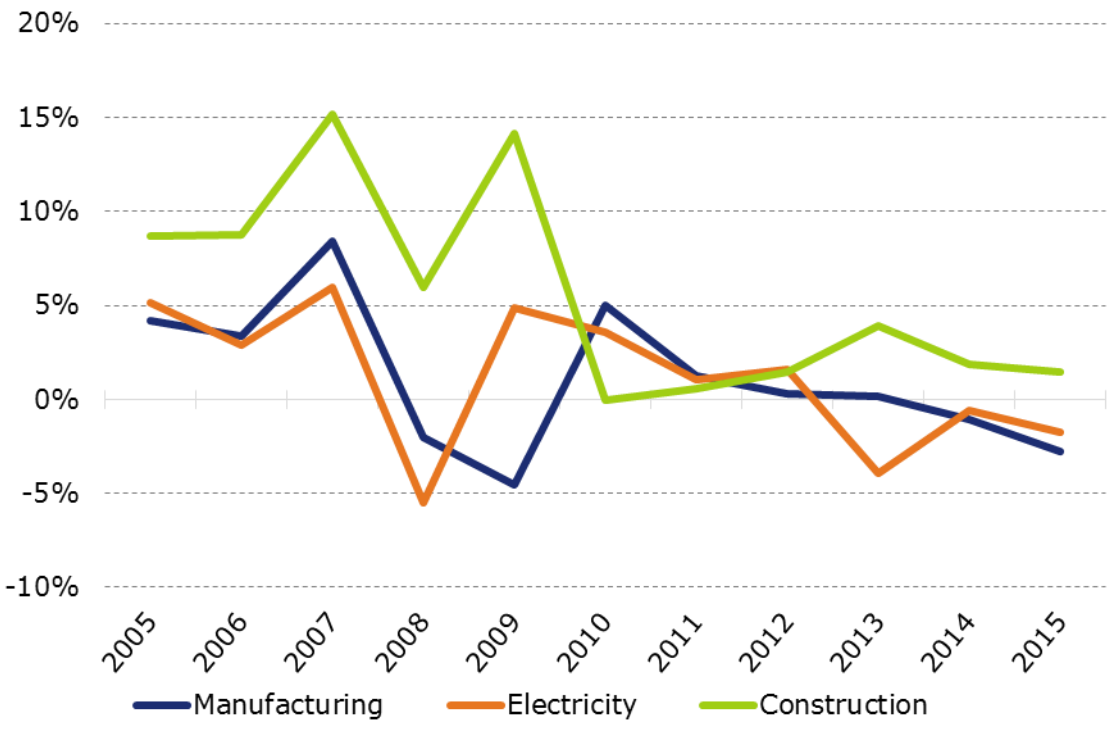
- Civil & general
- Corpclo 1982 cc
- Cradock Quarry
- Elitheni Coal (pty) ltd
- Queenstown Quarry
- Ugie mac Quarry cc
- Volcano Bricks

This list includes operating mines, quarries and processing plants that are not necessarily in current production, but are defined as establishments where activities are taking place. This could include preproduction development, sales from stockpiles or rehabilitation programmes prior to formal closure. Based on historical performance and small number of market participants of the mining sector within CHDM which have remained similar over the past few years, the potential to expand mining activity will however remain limited.

10.2.2 Secondary Sector

The secondary sector consists of three broad economic sectors namely the manufacturing, electricity and the construction sector. The following chart represents the average growth rates in the GVA for these sectors in Chris Hani District Municipality from 2005 to 2015.

CHART 42. GROSS VALUE ADDED (GVA) BY SECONDARY SECTOR - CHRIS HANI, 2005-2015 [ANNUAL PERCENTAGE CHANGE]



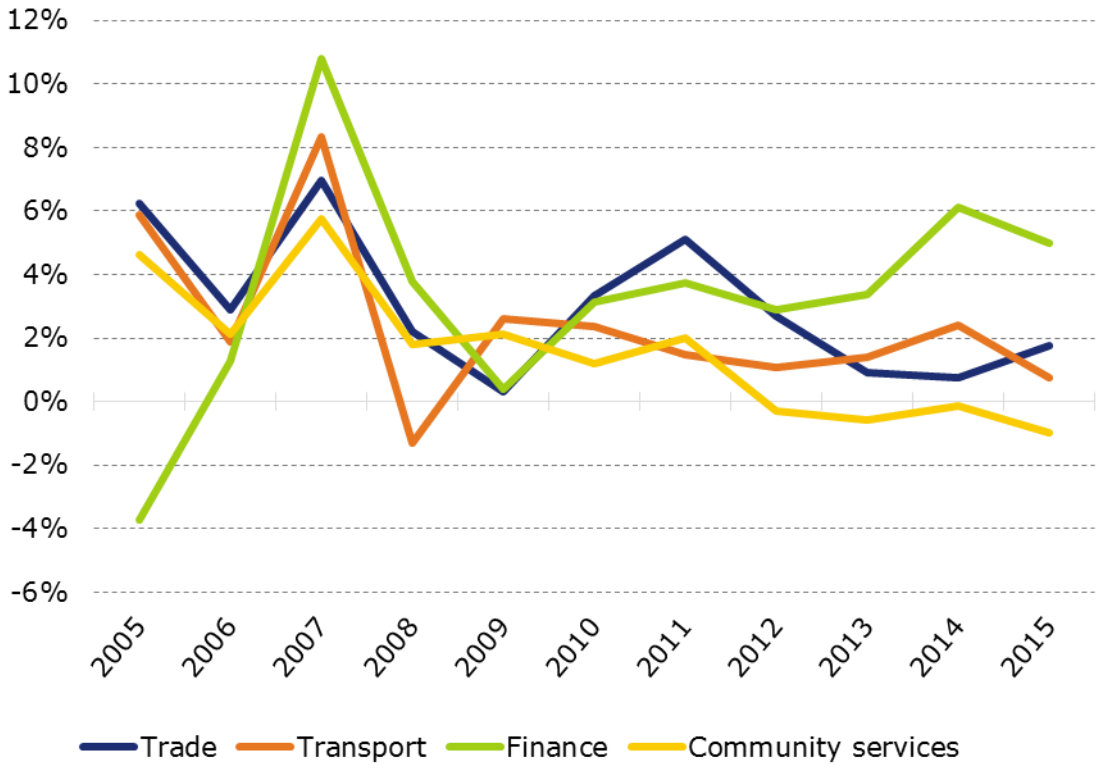
Source: IHS Global Insight Regional eXplorer version 1029

Between 2005 and 2015, the manufacturing sector experienced the highest positive growth in 2007 with a growth rate of 8.4%. It is evident for the construction sector that the highest positive growth rate also existed in 2007 and it experienced a growth rate of 15.2% which is higher than that of the manufacturing sector. The manufacturing sector experienced its lowest growth in 2010 of -4.5%, while construction sector reached its lowest point of growth in 2010 a with 0.0% growth rate. The electricity sector experienced the highest growth in 2007 at 6.0%, while it recorded the lowest growth of -5.5% in 2008.

10.2.3 Tertiary Sector

The tertiary sector consists of four broad economic sectors namely the trade, transport, finance and the community services sector. The following chart represents the average growth rates in the GVA for these sectors in Chris Hani District Municipality from 2005 to 2015.

CHART 43. GROSS VALUE ADDED (GVA) BY TERTIARY SECTOR - CHRIS HANI, 2005-2015 [ANNUAL PERCENTAGE CHANGE]



Source: IHS Global Insight Regional eXplorer version 1029

The trade sector experienced the highest positive growth in 2007 with a growth rate of 7.0%. It is evident for the transport sector that the highest positive growth rate also existed in 2007 at 8.4% which is higher than that of the manufacturing sector. The finance sector experienced the highest growth rate in 2007 when it grew by 10.8% and recorded the lowest growth rate in 2005 at -3.7%. The Trade sector had the lowest growth rate in 2009 at 0.3%. The community services sector, which largely consists of government, experienced its highest positive growth in 2007 with 5.8% and the lowest growth rate in 2015 with -1.0%.

10.2.4 Tourism Industry

Tourism can be defined as non-commercial organisation plus operation of vacations and visits to a place of interest. Whether you visit a relative or friend, travel for business purposes, go on holiday or on medical and religious trips - these are all included in tourism.

The following is a summary of the number of bed nights spent by domestic and international tourist within Chris Hani District Municipality between 2005 and 2015.

TABLE 33. Bednights by origin of tourist - Chris Hani District Municipality, 2005-2015 [Number]

	Domestic tourists	International tourists	Total tourists
2005	1,560,000	184,000	1,740,000
2006	1,530,000	194,000	1,720,000
2007	1,490,000	195,000	1,690,000
2008	1,430,000	197,000	1,630,000
2009	1,330,000	200,000	1,530,000
2010	1,230,000	220,000	1,450,000
2011	1,150,000	211,000	1,360,000
2012	1,070,000	209,000	1,280,000
2013	998,000	202,000	1,200,000
2014	928,000	198,000	1,130,000
2015	860,000	180,000	1,040,000

Source: IHS Global Insight Regional eXplorer version 1029

Definition: A bed night is the tourism industry measurement of one night away from home on a single person trip.

From 2005 to 2015, the number of bed nights spent by domestic tourists has decreased at an average annual rate of -5.78%, while in the same period the international tourists had an average annual decrease of -0.22%. The total number of bed nights spent by tourists decreased at an average annual growth rate of -5.04% from 1.74 million in 2005 to 1.04 million in 2015.

CHART 44. GROWTH IN TOURISM (USING BEDNIGHTS) BY ORIGIN - CHRIS HANI DISTRICT MUNICIPALITY, 2005-2015 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 1029

In their Tourism Satellite Account, StatsSA defines tourism spending as all expenditure by visitors for their trip to the particular region. This excludes capital expenditure as well as the shopping expenditure of traders (called shuttle trade). The amounts are presented in current prices, meaning that inflation has not been taken into account. It is important to note that this type of spending differs from the concept of contribution to GDP. Tourism spending merely represents a nominal spend of trips made to each region.

TABLE 34. Total tourism spending - Chris Hani, Eastern Cape and National Total, 2005-2015 [R billions, Current Prices]

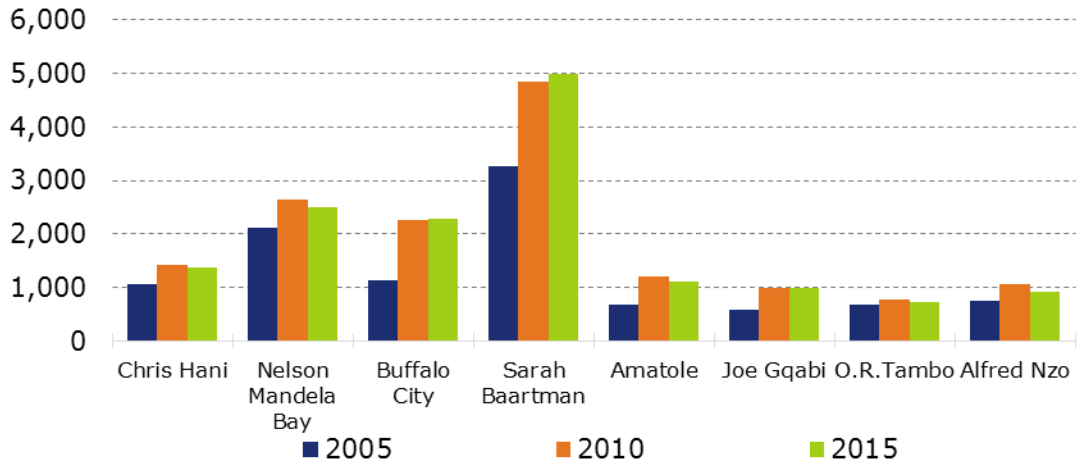
	Chris Hani	Eastern Cape	National Total
2005	0.9	7.7	107.2
2006	1.0	9.3	126.9
2007	1.0	9.8	138.7
2008	1.1	10.8	152.5
2009	1.1	10.7	153.4
2010	1.1	11.5	167.2
2011	1.1	11.4	174.6
2012	1.2	12.1	199.9
2013	1.2	12.3	217.6
2014	1.2	12.6	238.7
2015	1.1	11.7	234.1
Average Annual growth			
2005-2015	***2.93***%	***4.33***%	***8.13***%

Source: IHS Global Insight Regional eXplorer version 1029

Chris Hani District Municipality had a total tourism spending of R 1.14 billion in 2015 with an average annual growth rate of 2.9% since 2005 (R 853 million). Eastern Cape Province had a total tourism spending of R 11.7 billion in 2015 and an average annual growth rate of 4.3% over the period. Total tourism spending in South Africa increased from R 107 billion in 2005 to R 234 billion in 2015 at an average annual rate of 8.1%.

Another interesting topic to look at is tourism spending per resident capita. To calculate this, the total amount of tourism spending in the region is divided by the number of residents living within that region. This gives a relative indication of how important tourism is for a particular area.

CHART 45. TOURISM SPEND PER RESIDENT CAPITA - CHRIS HANI DISTRICT MUNICIPALITY AND THE REST OF EASTERN CAPE, 2005,2010 AND 2015 [R THOUSANDS]



Source: IHS Global Insight Regional eXplorer version 1029

In 2015, Chris Hani District Municipality had a tourism spend per capita of R 1,360 and an average annual growth rate of 2.58%, Chris Hani District Municipality ranked fourth amongst all the regions within Eastern Cape in terms of tourism spend per capita. The region within Eastern Cape Province that ranked first in terms of tourism spend per capita is Sarah Baartman district municipality with a total per capita spending of R 4,980 which reflects an average annual increase of 4.29% from 2005. The district municipality that ranked lowest in terms of tourism spend per capita is O.R.Tambo with a total of R 731 which reflects an increase at an average annual rate of 0.85% from 2005.

This measure presents tourism spending as a percentage of the GDP of a region. It provides a gauge of how important tourism is to the local economy. An important note about this variable is that it does not reflect what is spent in the tourism industry of that region, but only what is spent by tourists visiting that region as their main destination.

TABLE 35. Total spending as % share of GDP - Chris Hani, Eastern Cape and National Total, 2005-2015 [Percentage]

	Chris Hani	Eastern Cape	National Total
2005	8.9%	6.1%	6.5%
2006	9.4%	6.5%	6.9%
2007	7.9%	5.8%	6.6%
2008	8.5%	6.2%	6.4%
2009	7.3%	5.6%	6.1%
2010	6.8%	5.4%	6.1%
2011	6.3%	5.0%	5.8%
2012	6.0%	4.8%	6.1%
2013	5.6%	4.5%	6.1%
2014	5.3%	4.3%	6.3%
2015	4.6%	3.8%	5.8%

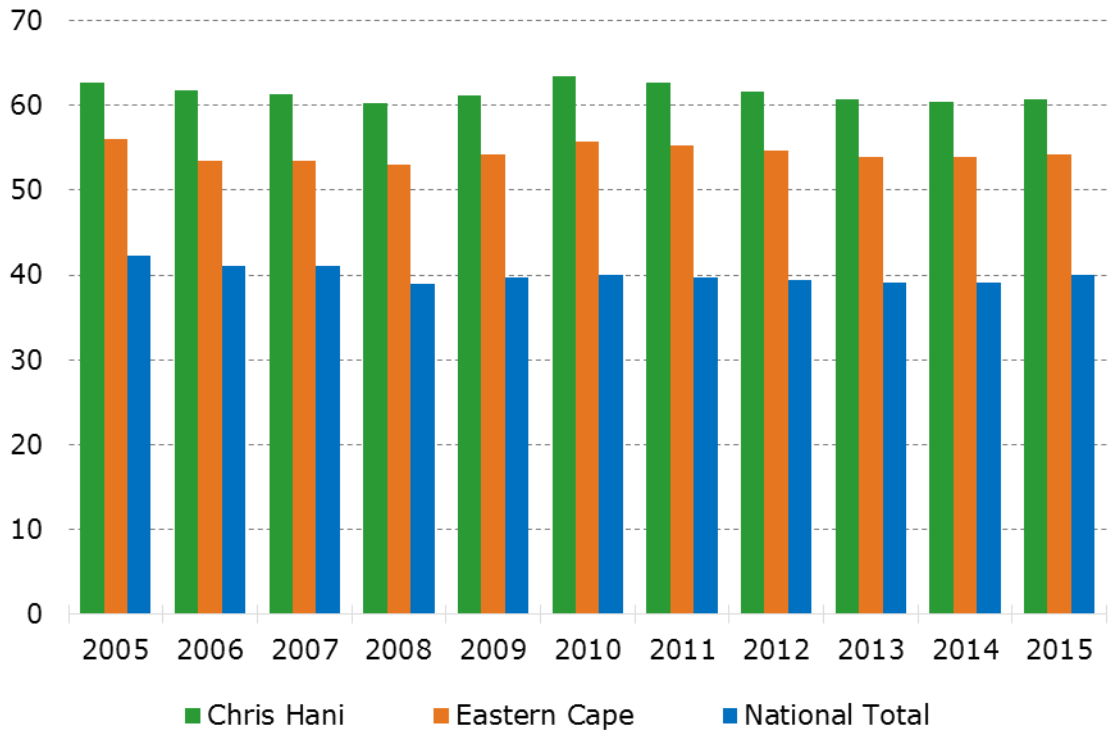
Source: IHS Global Insight Regional eXplorer version 1029

In Chris Hani District Municipality the tourism spending as a percentage of GDP in 2015 was 4.63%. Tourism spending as a percentage of GDP for 2015 was 3.82% in Eastern Cape Province, 5.83% in South Africa.

10.3 Sectoral Concentration (Tress Index)

Definition: The Tress index measures the degree of concentration of an area's economy on a sector basis. A Tress index value of 0 means that all economic sectors in the region contribute equally to GVA, whereas a Tress index of 100 means that only one economic sector makes up the whole GVA of the region.

CHART 46. TRESS INDEX - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2005-2015 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 1029

In 2015, Chris Hani's Tress Index was estimated at 60.7 which are higher than the 54.2 of the province and higher than the 54.2 of the South Africa as a whole. This implies that - on average - Chris Hani District Municipality is less diversified in terms of its economic activity spread than the national's economy. The Chris Hani District Municipality has a concentrated community services sector.

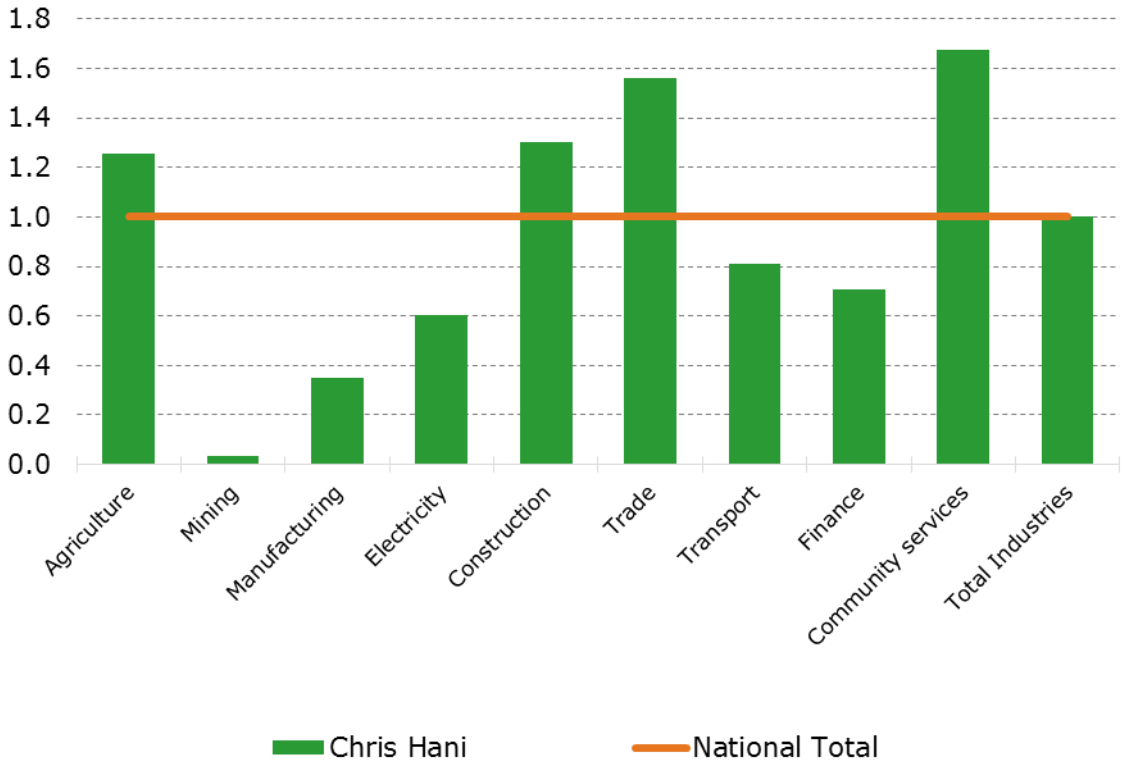
> *The more diverse an economy is, the more likely it is to create employment opportunities across all skills levels (and not only employment opportunities that cater for highly skilled labourers), and maintain a healthy balance between labour-intensive and capital-intensive industries. If both economic growth and the alleviation of unemployment are of concern, clearly there need to be industries that are growing fast and also creating jobs in particular the lower skilled categories. Unfortunately, in practice many industries that are growing fast are not those that create many employment opportunities for unskilled labourers (and alleviate unemployment).*

10.4 Comparative Advantages (Location Quotient)

Definition: A specific regional economy has a comparative advantage over other regional economies if it can more efficiently produce the same good. The location quotient is one way of measuring this comparative advantage.

If the location quotient is larger than one for a specified sector within a region, then that region has a comparative advantage in that sector. This is because the share of that sector of the specified regional economy is greater than the same sector in the national economy. The location quotient is usually computed by taking the percentage share of the sector in the regional economy divided by the percentage share of that same sector in the national economy.

CHART 47. LOCATION QUOTIENT BY BROAD ECONOMIC SECTORS - CHRIS HANI DISTRICT MUNICIPALITY AND SOUTH AFRICA, 2015 [NUMBER]



Source: IHS Global Insight Regional eXplorer version 1029

For 2015 Chris Hani District Municipality has a very large comparative advantage in the community services sector. The trade sector also has a very large comparative advantage. The construction sector also has a comparative advantage when comparing it to the South Africa economy as a whole, although less prominent. The Chris Hani District Municipality has a comparative disadvantage when it comes to the mining and manufacturing sector which has a very index value. In general mining is a very concentrated economic sector. Unfortunately the Chris Hani District Municipality area currently does not have a lot of mining activity, with an LQ of only 0.0315.

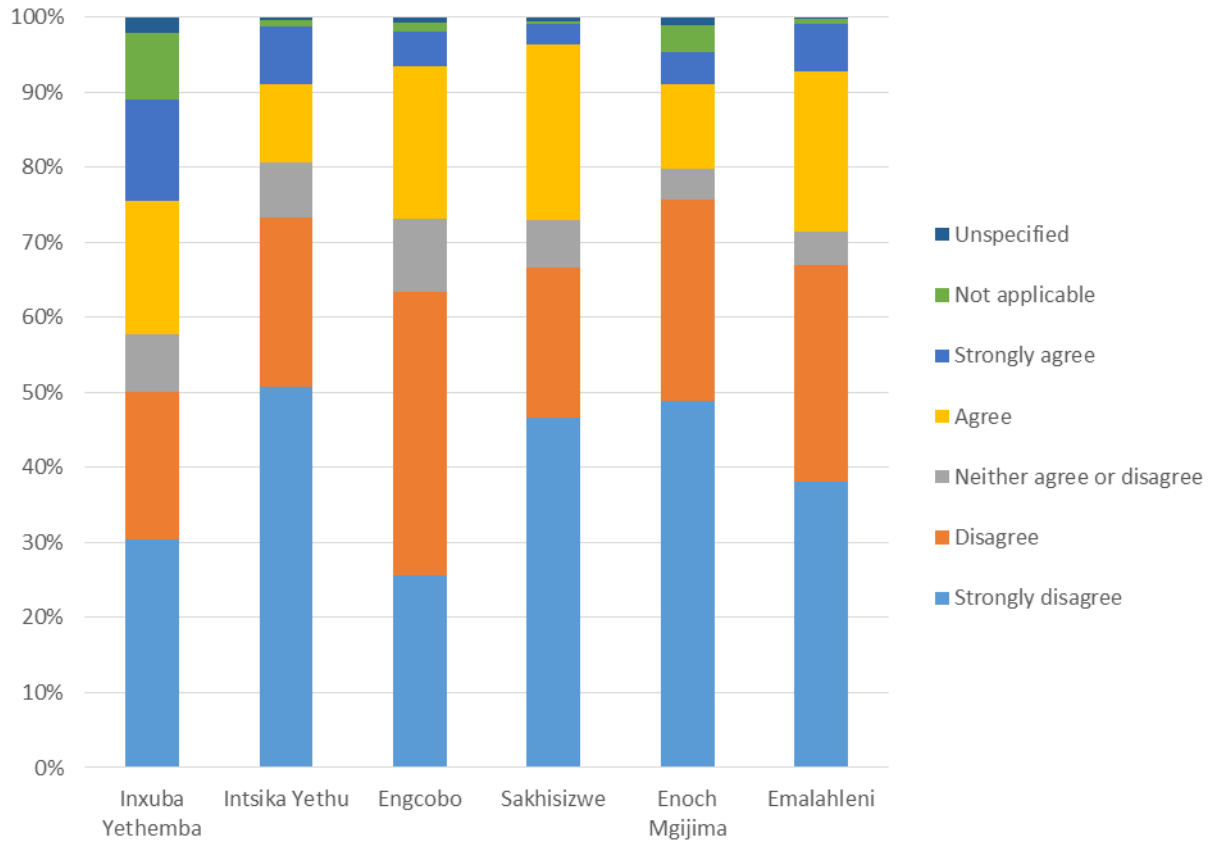
11. **Community Perspectives**

In 2016, Stats SA conducted the latest Community Survey. The main objective of the survey was to provide population and household statistics at municipal level to government and the private sector, to support planning and decision-making.

Stats SA visited approximately 1.3 million sampled households across the South Africa. Unlike a census, not every household was visited; only those that were sampled. This is the biggest exercise that Stats SA undertakes outside of the census. Approximately 12 000 contract field staff were appointed over a six-week period to visit homes and collect data.

The first chart provides the local community's opinion about the extent to which municipalities are perceived to resolve problems. Respondents were asked to provide their opinion on whether they strongly agreed or strongly disagreed with the statement. The local community within Chris Hani DM that most strongly agreed that their municipality is trying to resolve local problems is the Sakhisizwe Local Municipality with 23.4% of the population believing that the municipality is trying to resolve the problems facing their municipality. However, at least 50% of all the municipalities in the region disagree that the municipality is trying to resolve the problems they are facing, with the Enoch Mgijima Local Municipality having the highest proportion (76%) of the total number of people either strongly disagreeing or disagreeing that the municipality is trying to resolve the problems they are facing.

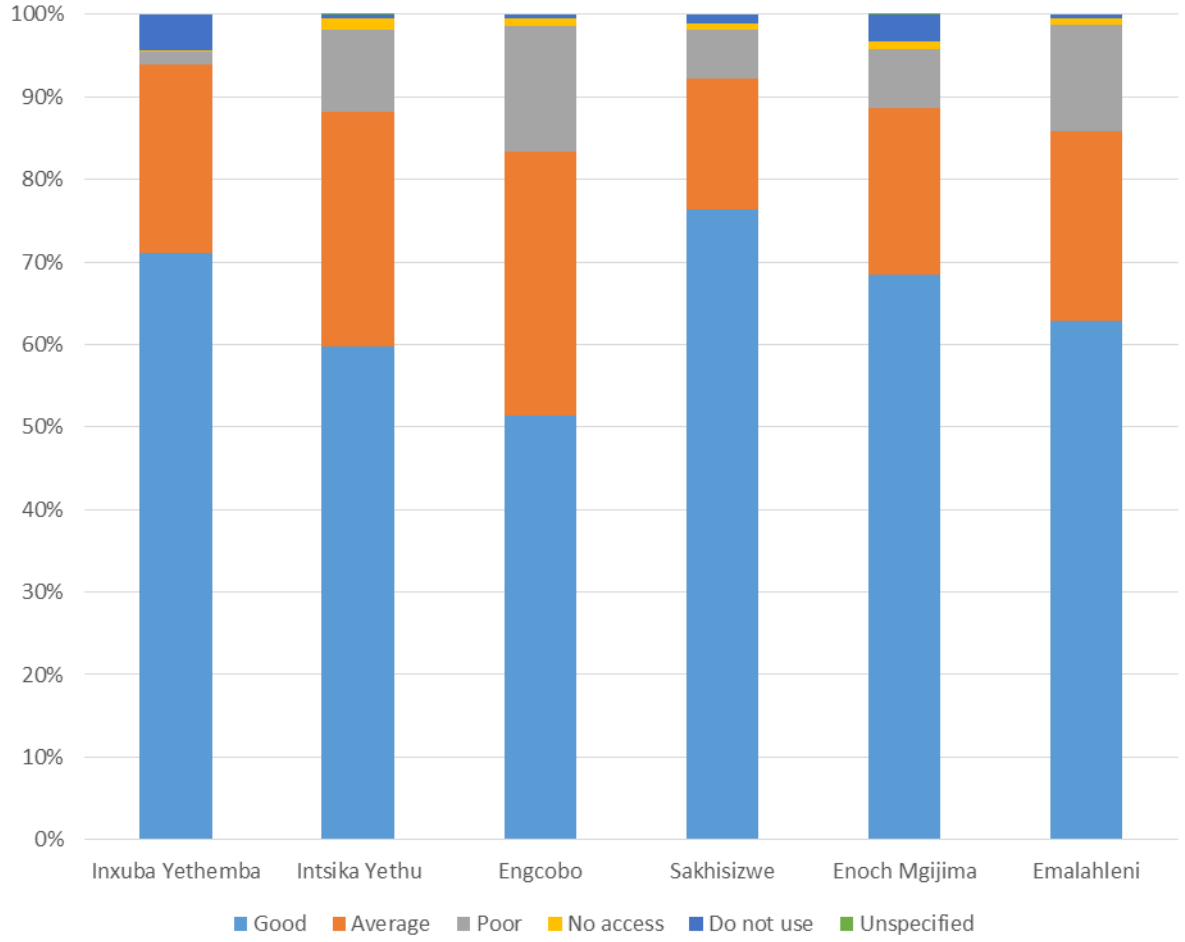
CHART 48. THE EXTENT TO WHICH THE MUNICIPALITY IS TRYING TO RESOLVE PROBLEM [PERCENTAGE]



Source: Stats SA, 2016

The following chart indicates the local community's perception on the quality of local public schools within each municipality, the ratings are categorised from good to poor and also the percentage of people who don't have access to public schools.

CHART 49. RATING OF THE OVERALL QUALITY OF THE LOCAL PUBLIC SCHOOL [PERCENTAGE]

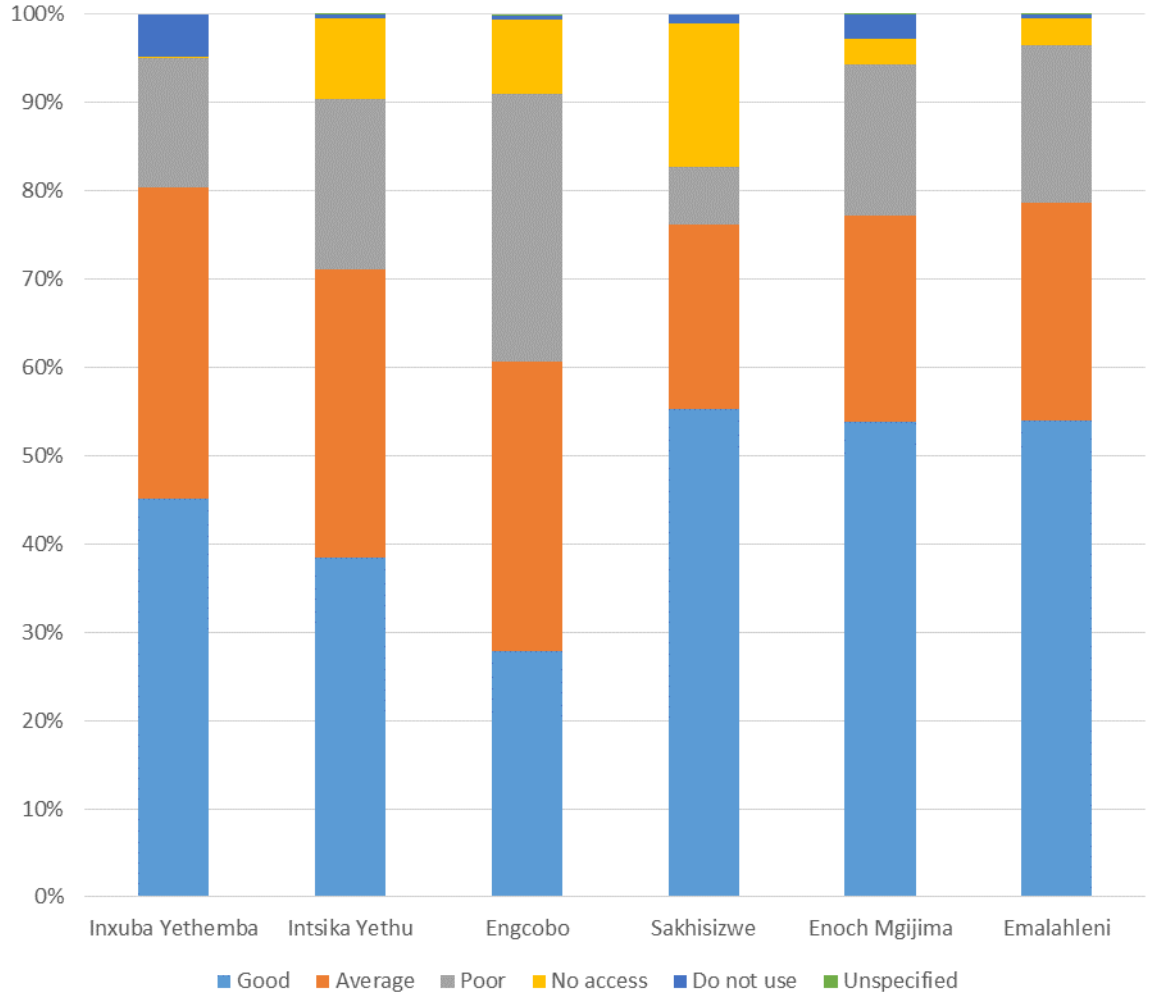


Source: Stats SA, 2016

Sakhisizwe Local Municipality received the highest rating with 76.4% of the people rating the public schools in the area as above average. Within Engcobo Local Municipality, 37.8% of the community rated public schools as below average. Overall, more than 50% of each municipality however rated their public schools as also performing above average while a significantly small number of people indicated that access to public schools is a concern.

The ratings of the quality of local public clinics is done on the same basis as the ratings for the public schools, were the ratings are categorised from good to poor and also the percentage of people who don't have access to public clinics.

CHART 50. RATING OF THE OVERALL QUALITY OF THE LOCAL PUBLIC CLINIC [PERCENTAGE]



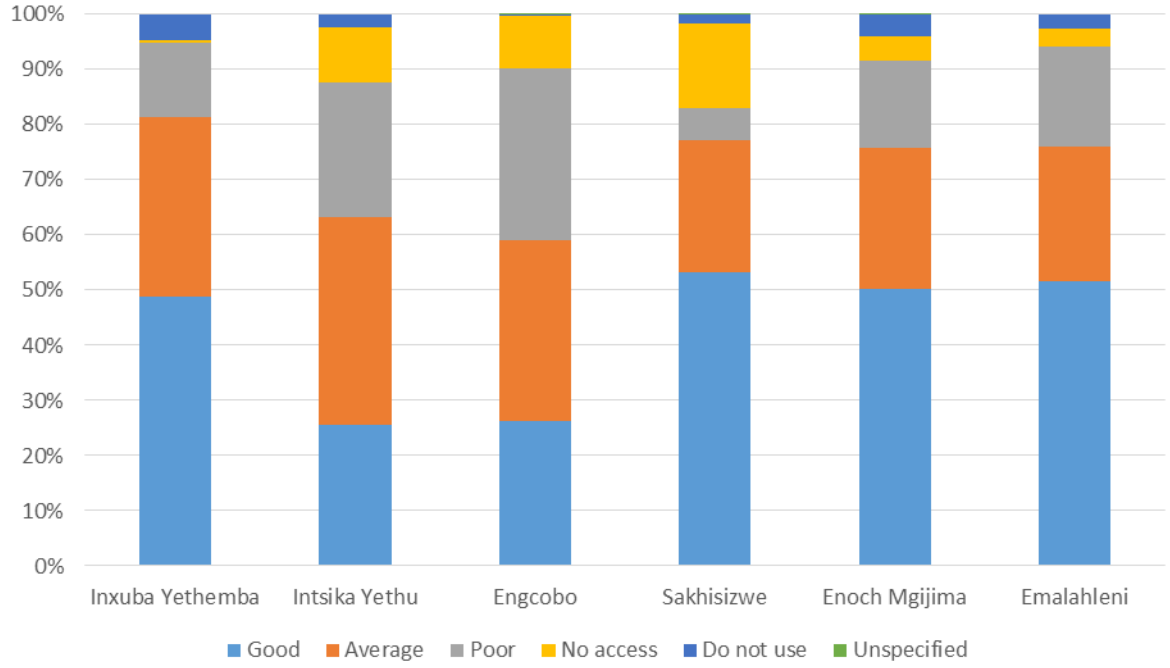
S

ource: Stats SA, 2016

It is noticeable that the Sakhisizwe, Enoch Mgijima and the Emalahleni Local Municipality have very similar views with more than 30% of the local community rating the quality of public clinics as good. Engcobo Local Municipality has the largest proportion of respondents indicating that public clinics in the region perform below average.

Apart from access and quality of clinics, another important health care factor is the perceived performance of local public hospitals. Similar to the previous indicator, the ratings range from good to poor and also the percentage of people who don't have access to hospitals. The quality of hospitals compared to the quality of clinics seems very similar in all municipalities with communities indicating that Sakhisizwe performed above average while Engcobo remains below average.

CHART 51. RATING OF THE OVERALL QUALITY OF THE LOCAL PUBLIC HOSPITAL [PERCENTAGE]



Source: Stats SA, 2016

The following is a table of the percentage of people by categories of the different difficulties facing the municipality they live in. The table sums up the most important difficulties:

TABLE 36. Most significant challenges faced by Municipalities in CHDM [Percentage]

	Inxuba Yethemba	Intsika Yethu	Engcobo	Sakhisizwe	Enoch Mgijima	Emalahleni
Lack of safe and reliable water supply	21.8%	20.7%	38.7%	10.5%	28.4%	36.3%
Lack of/inadequate employment opportunities	17.5%	14.8%	13.8%	20.4%	16.6%	6.6%
Inadequate roads	5.3%	21.3%	13.8%	26.7%	9.5%	23.3%
Cost of water	6.1%	2.9%	6.6%	10.3%	5.8%	5.1%
None	9.0%	0.8%	1.2%	0.3%	3.6%	0.7%
Other	40.2%	39.4%	25.8%	31.9%	36.2%	28.0%

Source: Stats SA, 2016

The lack of safe and reliable water supply combined with the cost of water for those who have a connection, ranks high on the difficulties facing all of the municipalities. Engcobo Local Municiplaity ranks the highest on lack of water supply and the Sakhisizwe Local municipality ranks highest on the water of water for those who have access to water. In terms of inadequate roads, 26.7% of the people in Sakhisizwe Local Municipality believe it is a difficulty they are facing. On the positive side, the percentage of people in the Inxuba Yethemba Local Municipality that feels like they have no difficulties facing their municipality stands at 9%

1 Section 4: Strategic Prioritisation Assessment

This section will present a summary of salient features and key implications drawn from the above profile. These features will need to be carefully considered when drafting the rest of the CHDM IDP to ensure that the strategy aligns to the needs of the people. The section will first provide forecast and projection of main indicators to be used for regional long-term planning in the region. This section will also need to be updated yearly in order to provide the IDP strategy and implementation process with a proper foundation.

12. Development Scenarios

12.1 Population projections

Based on the present age-gender structure and the present fertility, mortality and migration rates, Chris Hani's population is projected to grow at an average annual rate of 0.9% from 834 000 in 2015 to 872 000 in 2020.

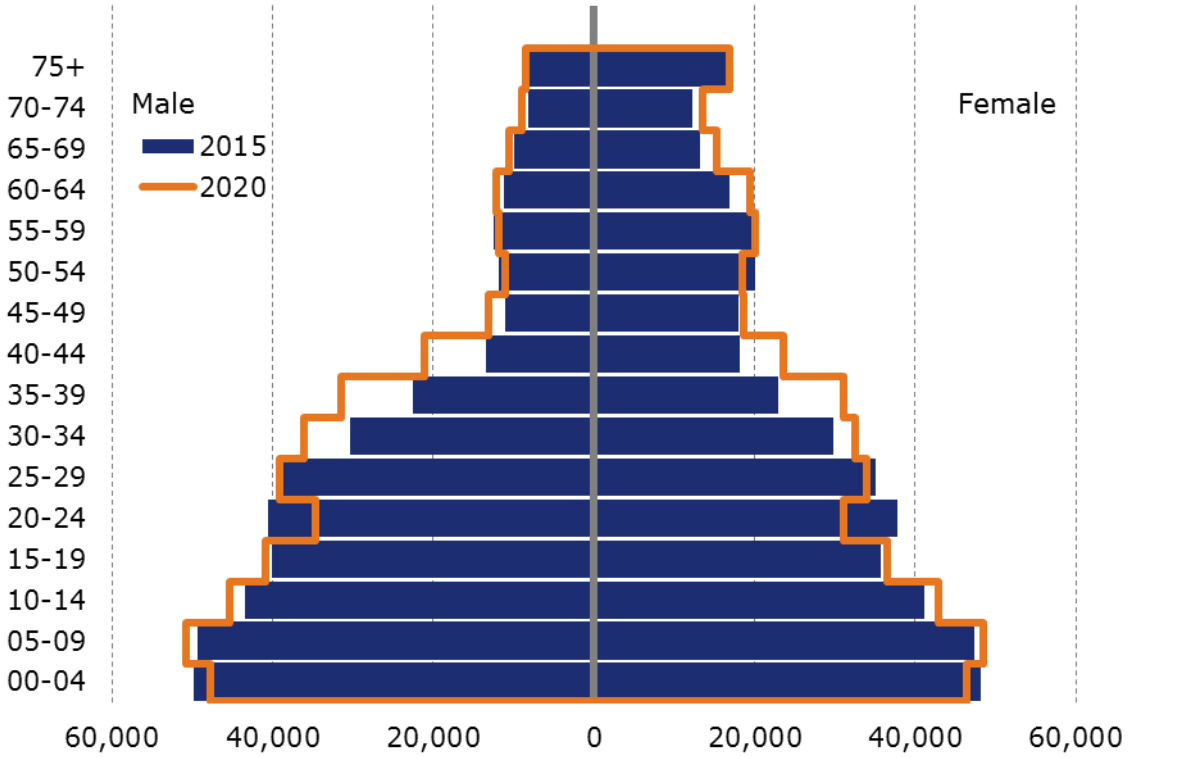
TABLE 37. Population projections - Chris Hani, Eastern Cape and National Total, 2015-2020 [Numbers percentage]

	Chris Hani	Eastern Cape	National Total	Chris Hani as % of province	Chris Hani as % of national
2015	834,000	6,930,000	54,900,000	*12.0%*	*1.52%*
2016	840,000	7,010,000	55,700,000	*12.0%*	*1.50%*
2017	849,000	7,080,000	56,500,000	*12.0%*	*1.50%*
2018	857,000	7,160,000	57,400,000	*12.0%*	*1.49%*
2019	865,000	7,240,000	58,100,000	*11.9%*	*1.49%*
2020	872,000	7,310,000	58,900,000	*11.9%*	*1.48%*
Average Annual growth					
2015-2020	***0.90***%	***1.08***%	***1.42***%		

Source: IHS Global Insight Regional eXplorer version 1029

The population projection of Chris Hani District Municipality is estimated to grow at an average annual growth rate of 0.9% between 2015 and 2020. The average annual growth rate in the population over the forecasted period for Eastern Cape Province and South Africa is 1.1% and 1.4% respectively. The Eastern Cape Province is estimated to have average growth rate of 1.1% which is higher than the Chris Hani District Municipality. South Africa as a whole is estimated to have an average annual growth rate of 1.4% which is higher than that of Chris Hani's growth rate.

CHART 52. POPULATION PYRAMID - CHRIS HANI DISTRICT MUNICIPALITY, 2015 VS. 2020 [PERCENTAGE]



Source: IHS Global Insight Regional eXplorer version 1029

The population pyramid reflects a projected change in the structure of the population from 2015 and 2020. The differences can be explained as follows:

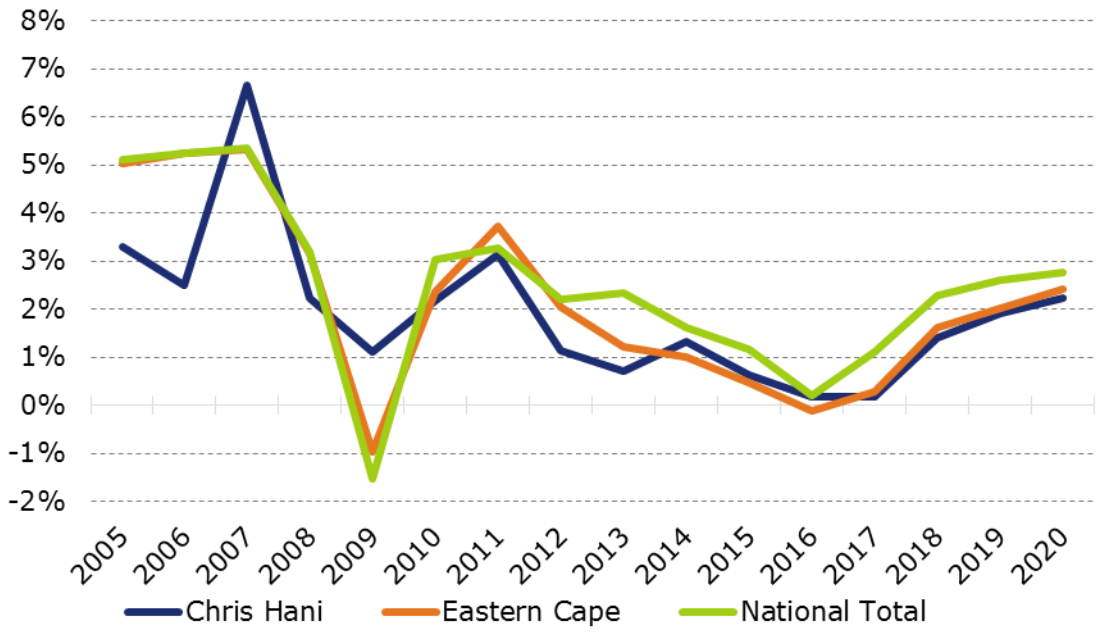
- In 2015, there is a larger share of young working age people between 20 and 34 (25.4%), compared to what is estimated in 2020 (23.8%). This age category of young working age population will decrease over time.
- The fertility rate in 2020 is estimated to be slightly higher compared to that experienced in 2015.
- The share of children between the ages of 0 to 14 years is projected to be smaller (32.3%) in 2020 when compared to 2015 (33.5%).

In 2015, the female population for the 20 to 34 years age group amounts to 12.3% of the total female population while the male population group for the same age amounts to 13.1% of the total male population. In 2020, the male working age population at 12.6% still exceeds that of the female population working age population at 11.2%, although both are at a lower level compared to 2015.

12.2 Economic Growth Forecast

It is expected that Chris Hani District Municipality will grow at an average annual rate of 1.18% from 2015 to 2020. The average annual growth rate of Eastern Cape Province and South Africa is expected to grow at 1.24% and 1.79% respectively.

CHART 53. GROSS DOMESTIC PRODUCT (GDP) - CHRIS HANI, EASTERN CAPE AND NATIONAL TOTAL, 2005-2020 [AVERAGE ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



Source: IHS Global Insight Regional eXplorer version 1029

In 2020, Chris Hani's forecasted GDP will be an estimated R 19.1 billion (constant 2010 prices) or 7.8% of the total GDP of Eastern Cape Province. The ranking in terms of size of the Chris Hani District Municipality will remain the same between 2015 and 2020, with a contribution to the Eastern Cape Province GDP of 7.8% in 2020 compared to the 7.8% in 2015. At a 1.18% average annual GDP growth rate between 2015 and 2020, Chris Hani ranked the sixth compared to the other regional economies.

TABLE 38. Gross Domestic Product (GDP) - local municipalities of Chris Hani District Municipality, 2015 to 2020, share and growth

	2020 (Current prices)	Share of district municipality	2015 (Constant prices)	2020 (Constant prices)	Average Annual growth
Inxuba Yethemba	5.22	*15%*	2.69	2.86	***1.26%***
Intsika Yethu	3.92	*11.3%*	1.98	2.15	***1.62%***
Emalahleni	2.24	*6.4%*	1.19	1.23	***0.57%***
Engcobo	3.53	*10.2%*	1.80	1.95	***1.58%***
Sakhisizwe	2.15	6.2%	1.12	1.17	***0.90%***
Enoch Mgijima	17.70	*50.9%*	9.22	9.73	***1.09%***
Chris Hani	34.76		17.99	19.08	

Source: IHS Global Insight Regional eXplorer version 1029

When looking at the regions within the Chris Hani District Municipality it is expected that from 2015 to 2020 the Intsika Yethu local municipality will achieve the highest average annual growth rate of 1.62%. The region that is expected to achieve the second highest average annual growth rate is that

of Engcobo local municipality, averaging 1.58% between 2015 and 2020. On the other hand the region that performed the poorest relative to the other regions within Chris Hani District Municipality was the Emalahleni local municipality with an average annual growth rate of 0.57%.

12.3 Sector Growth forecast

The GVA forecasts are based on forecasted growth rates derived from two sources: historical growth rate estimates and national level industry forecasts. The projections are therefore partly based on the notion that regions that have performed well in the recent past are likely to continue performing well (and vice versa) and partly on the notion that those regions that have prominent sectors that are forecast to grow rapidly in the national economy (e.g. finance and telecommunications) are likely to perform well (and vice versa). As the target year moves further from the base year (2010) so the emphasis moves from historical growth rates to national-level industry growth rates.

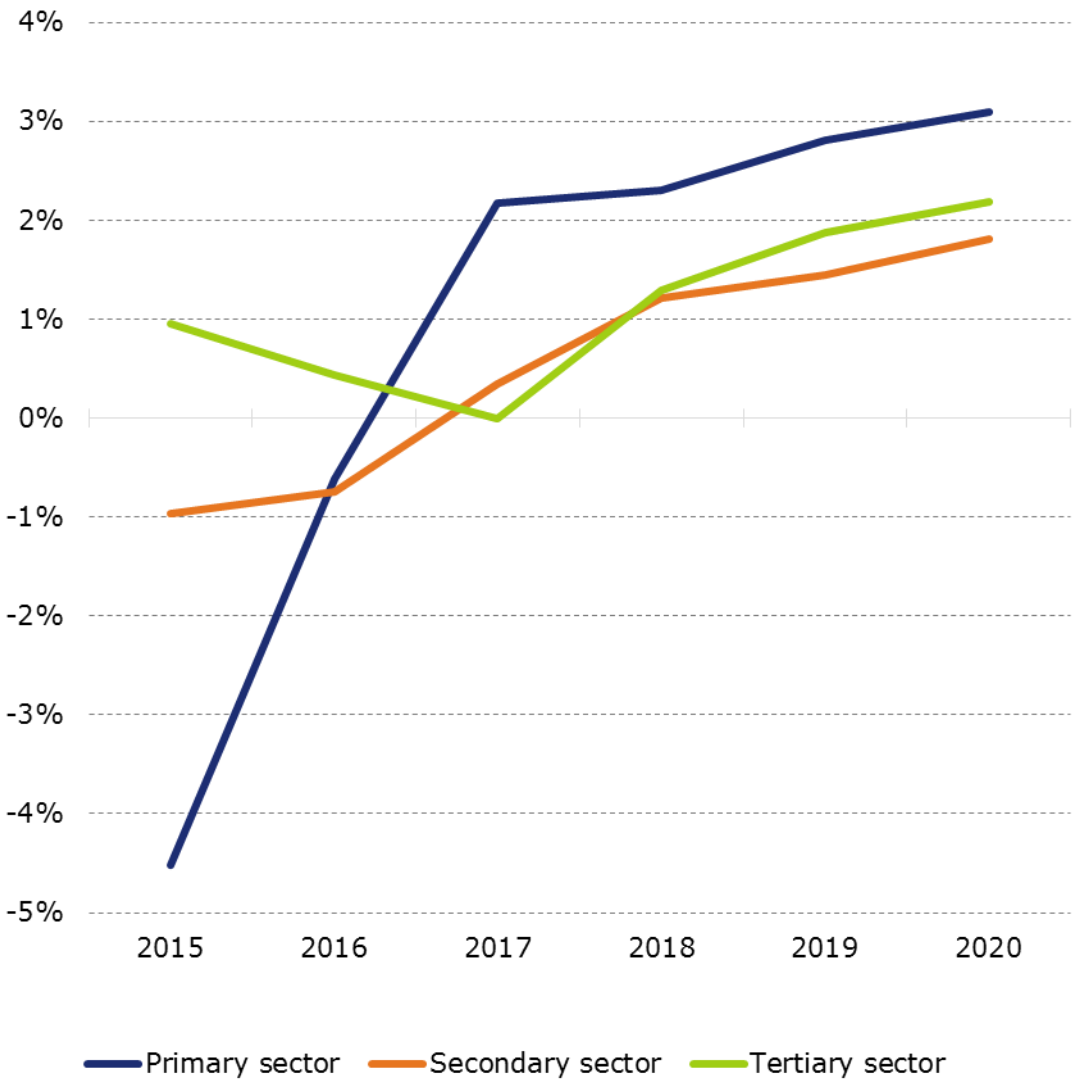
TABLE 39. Gross value added (GVA) by broad economic sector - Chris Hani District Municipality, 2015-2020 [R millions, constant 2010 prices]

	2015	2016	2017	2018	2019	2020	Average Annual growth
Agriculture	473.6	471.9	482.6	494.7	509.6	527.4	***2.17***%
Mining	45.9	44.4	44.9	44.9	45.2	44.6	***-0.60***%
Manufacturing	888.2	871.1	860.2	862.4	865.7	870.3	***-0.41***%
Electricity	227.5	222.0	219.7	220.2	222.9	226.8	***-0.07***%
Construction	767.3	775.8	795.5	815.7	837.0	863.3	***2.39***%
Trade	3,828.2	3,848.2	3,867.4	3,953.3	4,083.8	4,236.2	***2.05***%
Transport	1,286.0	1,276.2	1,285.8	1,316.0	1,349.1	1,392.1	***1.60***%
Finance	2,629.9	2,703.8	2,771.2	2,869.5	2,961.5	3,058.5	***3.07***%
Community services	6,591.4	6,569.5	6,472.8	6,443.2	6,460.6	6,492.5	***-0.30***%
Total Industries	**16,738.1**	**16,783.0**	**16,800.0**	**17,020.0**	**17,335.5**	**17,711.6**	***1.14***%

Source: IHS Global Insight Regional eXplorer version 1029

The finance sector is expected to grow fastest at an average of 3.07% annually from R 2.63 billion in Chris Hani District Municipality to R 3.06 billion in 2020. The community services sector is estimated to be the largest sector within the Chris Hani District Municipality in 2020, with a total share of 36.7% of the total GVA (as measured in current prices), declining at an average annual rate of 0.3%. The sector that is estimated to decline the most is the mining sector at an average annual rate of 0.60%.

CHART 54. GROSS VALUE ADDED (GVA) BY AGGREGATE ECONOMIC SECTOR - CHRIS HANI DISTRICT MUNICIPALITY, 2015-2020 [ANNUAL GROWTH RATE, CONSTANT 2010 PRICES]



Source: IHS Global Insight Regional eXplorer version 1029

The Primary sector is expected to grow at an average annual rate of 1.94% between 2015 and 2020, with the Secondary sector growing at 0.81% on average annually. The Tertiary sector is expected to grow at an average annual rate of 1.15% for the same period.

Based on the typical profile of a developing country, we can expect faster growth in the secondary and tertiary sectors when compared to the primary sector. Also remember that the agricultural sector is prone to very high volatility as a result of uncertain weather conditions, pests and other natural causes - and the forecasts presented here is merely a long-term trend rather than trying to forecast the unpredictable weather conditions.

13. SWOT Assessment

SWOT is an acronym for a study undertaken by a municipality to identify its internal Strengths and Weaknesses, as well as its external Opportunities and Threats. For the purpose of this document, the whole Chris Hani region will be considered and not just the municipality. The following table provides a SWOT analysis that summarises the current state of Chris Hani DM.

TABLE 40. SWOT Analysis – Chris Hani DM, 2017 (Part 1)

Strengths	Weaknesses
• **Relatively central location within the province.** • **High levels of labour force participation** • **Emerging pockets of industrialised developments.** • **Strong farming/agri-business expertise, which is still relatively important to the local economy.** • **Integration and easy access to main cities via extended road network.** • **Growing urbanisation adds to retail potential.** • **Good land based resources, including agri/rural lands and scenic areas.** • **Strong partnership exists between communities and the municipality for social development.** • **CHDM working age population has increased significantly between 2005 and 2015.** • **With a GDP of R 24.6 billion in 2015, CHDM contributed 8% to the Eastern Cape Province GDP.** • **GVA in the agriculture sector had the highest average annual growth rate in Chris Hani at 5.21%.**	• Low levels of entrepreneurship with high dependency on public sector for employment. • High dependency on traditional sectors with recent job losses in some of these. • Limited special enterprise and innovation infrastructure. • In terms of population density, CHDM is much less densely developed compared to the province and South Africa. • Although the percentage of people living in poverty has decreased from 76% in 2005 to 55% in 2015, this still remains very high. • Lack of significant growth industry with limited new employment opportunities. • CHDM has a proportionately larger share of youth (aged 0-14) and elderly (65+) compared to the province and South Africa which leads to a high dependency on the working aged population. • Resource and capacity issues amongst local stakeholders may hinder the enterprise dynamic. • Distance from coastline hinders tourism potential.

TABLE 41. SWOT Analysis – Chris Hani DM, 2017 (Part 2)

Opportunities	Threats
• **Promote the central location of municipality for entrepreneurial development and provide the infrastructure and services to attract new enterprise.** • **Invest in access to ICT infrastructure to foster growth in in knowledge economy and green economy sectors.** • **Support traditional sectors through focused resources to foster inclusive growth.** • **Opportunities in agri-food sector based on existing skills and knowledge.** • **Partner with neighbouring districts to leverage resources and achieve economies of scale.** • **Actively promote Chris Hani as an attractive place to live, work and locate business.** • **CHDM's tourism spending as a percentage of GDP in 2015 was 4.6% compared to only 3.8% in Eastern Cape Province.** • **Capitalise on tourism potential and put in place additional tourism promotion funding.**	• Over reliance on traditional sectors with limited growth potential affects economic sustainability. • Although CHDM has experienced positive performance in terms of tourism spend per capita, the district only ranked fourth amongst all the regions within Eastern Cape and needs to improve on this to become a leading tourism destination in the province. • In 2015, CHDM's Tress Index was estimated at 60.7 which is higher than both the province and South Africa as a whole. This implies that CHDM is less diversified in terms of economic activity and needs to promote a more diversified portfolio of strong growing sectors. • Lack of social opportunities for many rural youth is a deep threat to personal development and community well-being with increasing youth unemployment, drug and alcohol abuse, xenophobia and high costs of education.

This SWOT analysis is the key stage for flushing out the major strategic issues to be addressed in the IDP. These developmental issues are few in number but crucial to the performance of the municipality. With these issues clearly identified from the SWOT, the municipality can devise strategies to achieve the municipalities overall objectives, within a specific bracket of targets.

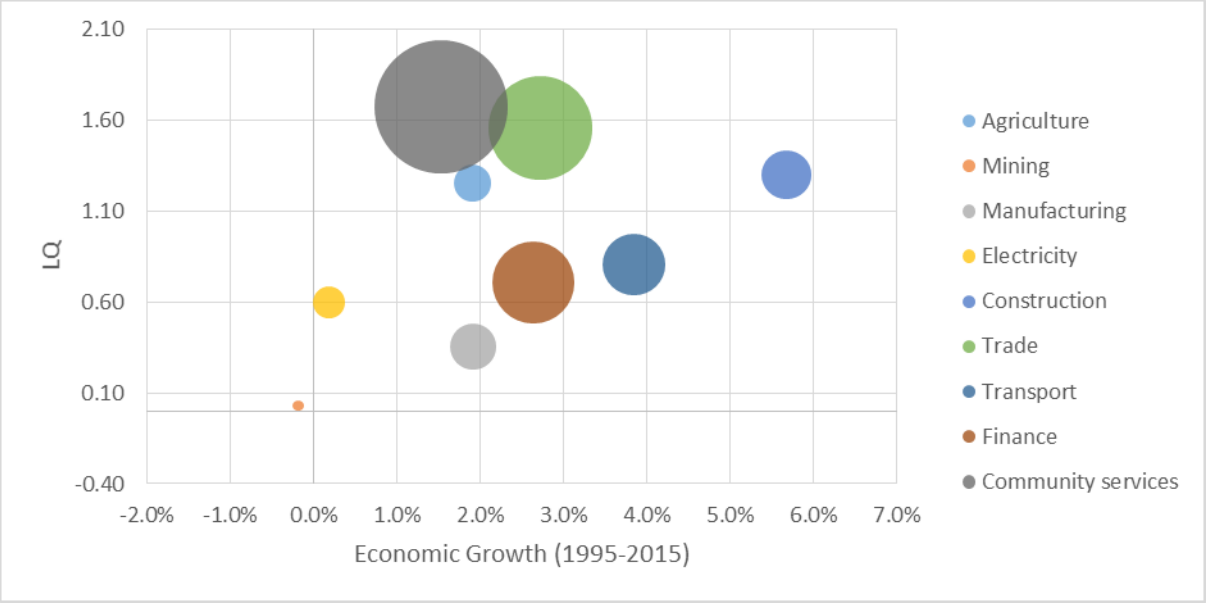
The SWOT analysis provides a critical assessment needed to develop the strategy that will promote inclusive growth and eliminate poverty in the region. However, the work ahead will still require rigorous, comprehensive, and very thorough review of the enterprise capabilities, environmental challenges and stakeholder involved.

14. **Strategic Prioritisation**

The purpose of this section is to identify regional and sectoral potential for business growth and investments by assessing the sectoral challenges and opportunities faced by local municipalities within CHDM.

The chart illustrates a sectoral break-down of the 9 broad economic sectors and their performance within CHDM. On the vertical axis, Location Quotient (LQ), measures the relative share of the sector compared to the total of the sector within the province. A value above 1 is considered to be very favourable and indicate sectors in which the district has a comparative advantage. On the horizontal axis, annual average economic growth between 1995 and 2015 is presented. The size of the bubble represents the total sectoral GVA in current prices.

CHART 55. SECTORAL GROWTH-SHARE ASSESSMENT – CHRIS HANI DM, 2015 [BUBBLE SIZE GVA, CURRENT PRICES]



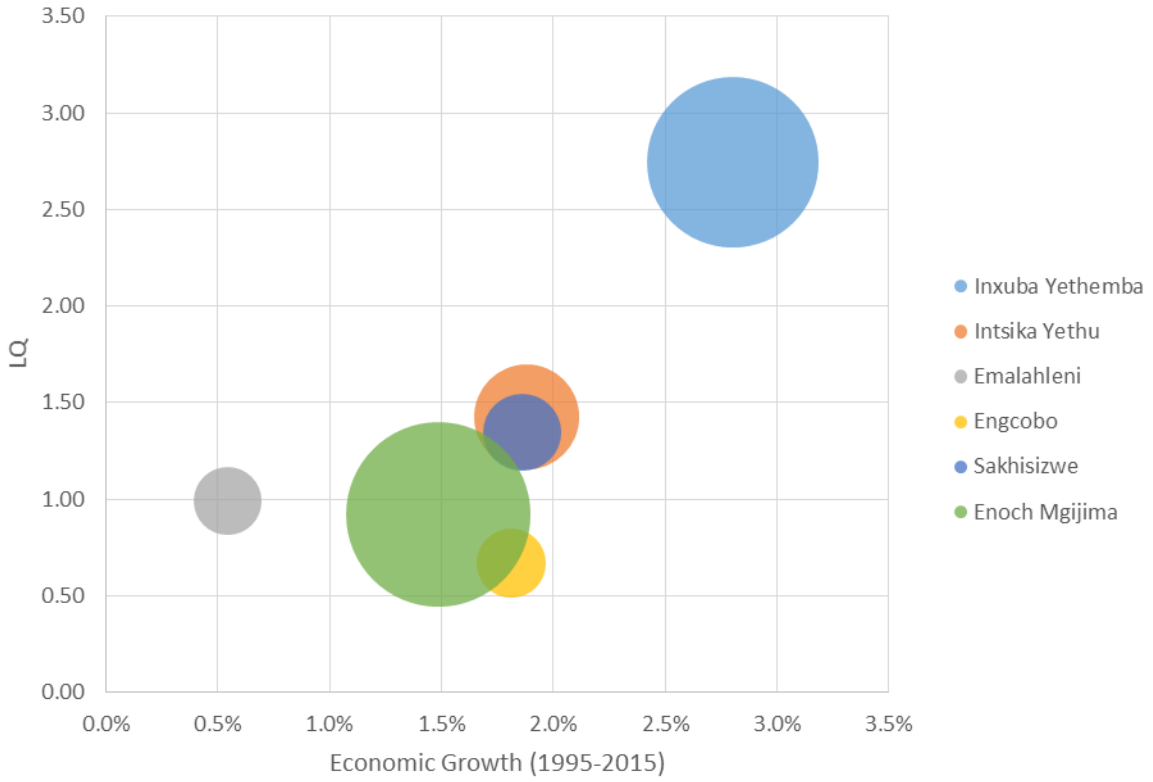
Source: IHS Global Insight Regional eXplorer version 1029

High market share can be defined as a LQ of more than 1 and a fast-growing market can be defined as a sectors growing at an average annual rate of more than 1%. The natural cycle for most sectors is that they will start in category 4 and then move to category 3 if the sector is supported by a conducive business environment. As a particular sector matures and its growth slows, the sector will move towards categories 1 and 2. Only a diversified local economy with a balanced portfolio of sector activity can use its strengths to capitalise on its growth opportunities. Using this assessment, CHDM sectors can be grouped within 4 categories as follows:

1. **High market share and slow-growing:** None.
2. **Low market share and slow-growing:** Mining & Electricity Sector.
3. **High market share and fast-growing:** Services, Agriculture, Trade and Construction.
4. **Low market share and fast-growing:** Manufacturing, Finance and Transport sectors.

Based on the four sectors from category 3, this section will provide a regional comparison of the local municipalities for each of these sectors to provide an indication of where these sectors are based spatially.

CHART 56. SECTORAL POTENTIAL ASSESSMENT – AGRICULTURE, 2015 [BUBBLE SIZE GVA, CURRENT PRICES]

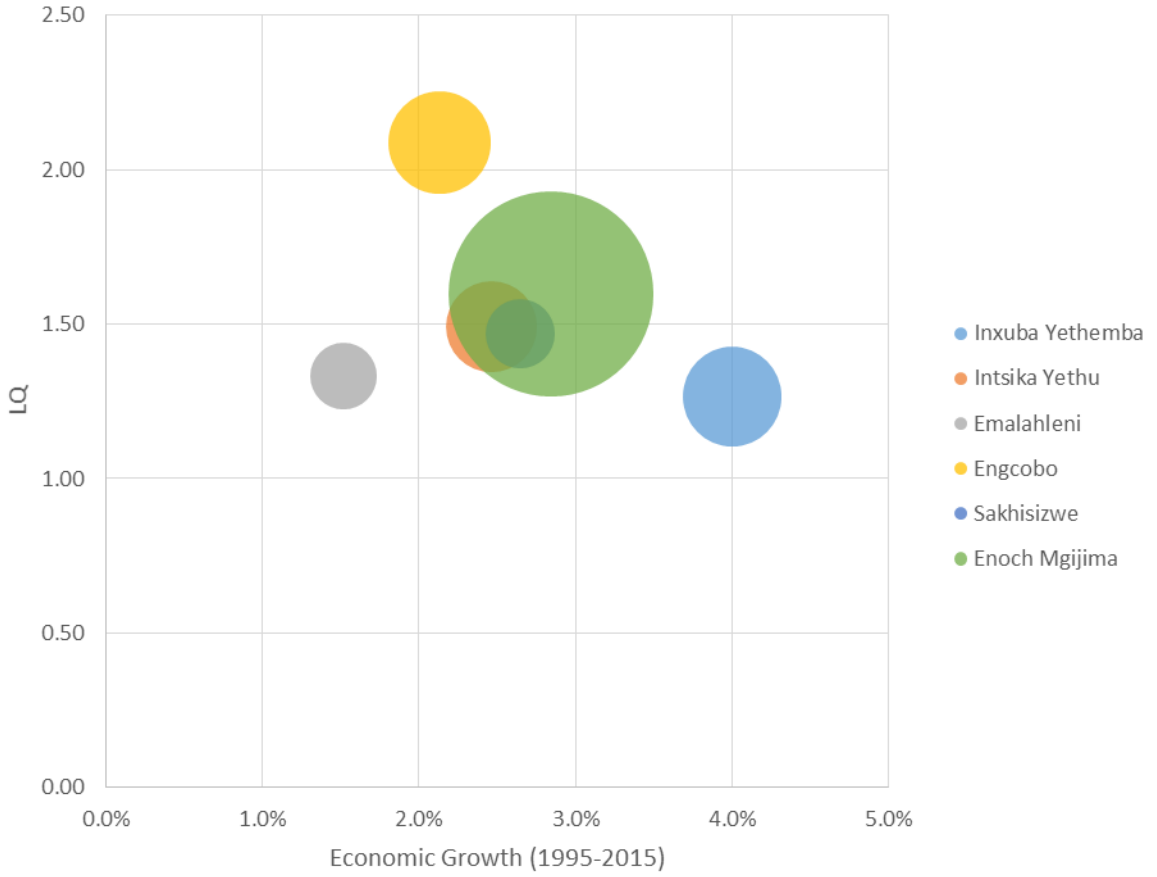


Source: IHS Global Insight Regional eXplorer version 1029

The chart above illustrates the municipal break-down of all the 6 Local Municipalities within CHDM for the Agricultural sector. From this analysis the following points can be drawn:

- Inxuba Yethemba Local Municipality can be classified as both a significantly fast growing municipality in terms of the agricultural sector, as well as having a comparative advantage relative to the other local municipalities.
- Apart from Inxuba Yethemba Local Municipality and the Emalahleni Local Municipality, which shows the weakest growth and competitive advantage, the rest of of CHDM show relatively similar comparative advantage and Enoch Mgijima Local Municipality which stands out as the largest sector in terms of the agricultural sector.

CHART 57. SECTORAL POTENTIAL ASSESSMENT – TRADE SECTOR, 2015 [BUBBLE SIZE GVA, CURRENT PRICES]

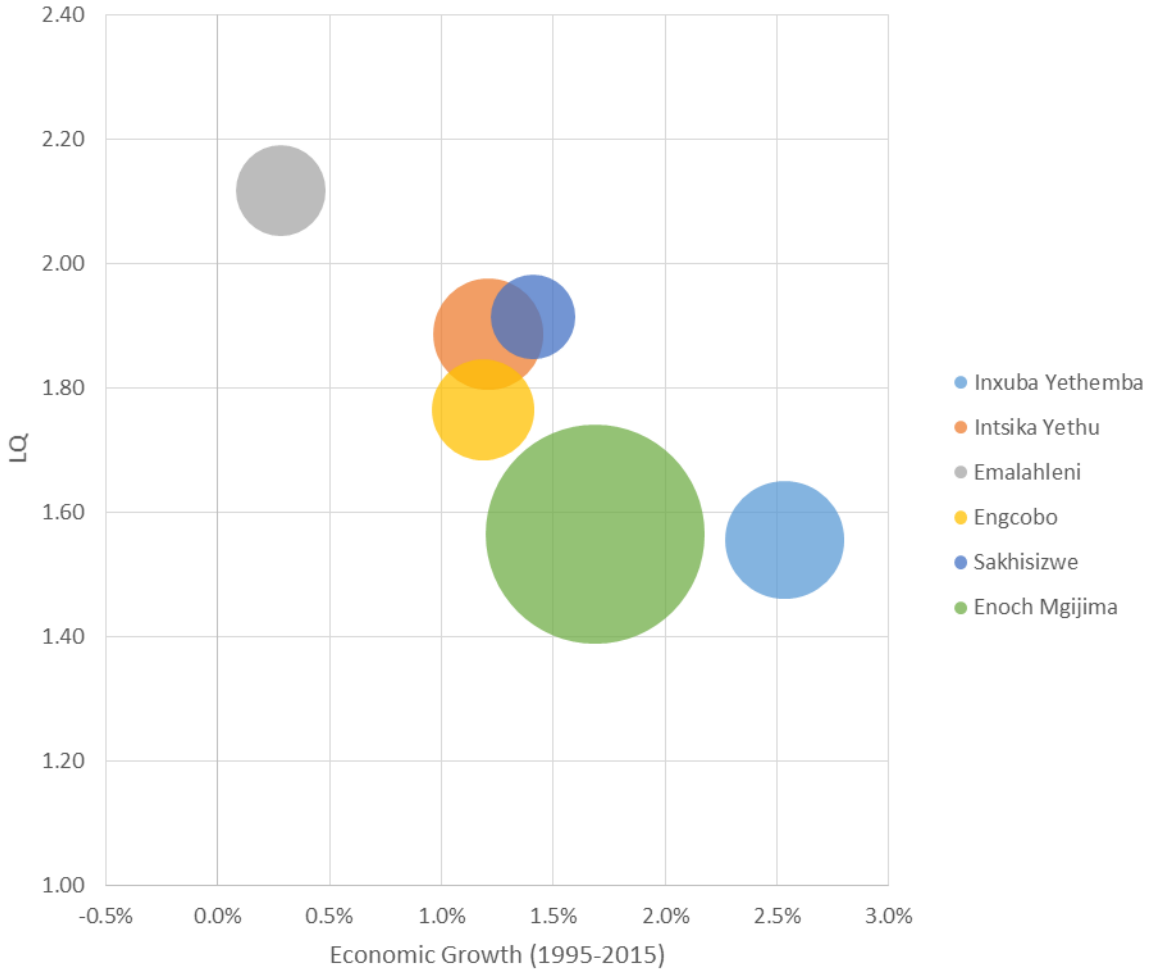


Source: IHS Global Insight Regional eXplorer version 1029

The chart above illustrates the municipal break-down of all the 6 Local Municipalities within CHDM for the Trade sector. From this analysis the following points can be drawn:

- The largest trade sector falls within the Enoch Mgijima Local Municipality with relatively high growth.
- Growth within Inxuba Yethemba Local Municipality stands out as the fastest growing trade sector compared to the other municipalities within CHDM.
- Engcobo Local Municipality has the highest comparative advantage compared to the other municipalities.

CHART 58. SECTORAL POTENTIAL ASSESSMENT – COMMUNITY SERVICES SECTOR, 2015 [BUBBLE SIZE GVA, CURRENT PRICES]



Source: IHS Global Insight Regional eXplorer version 1029

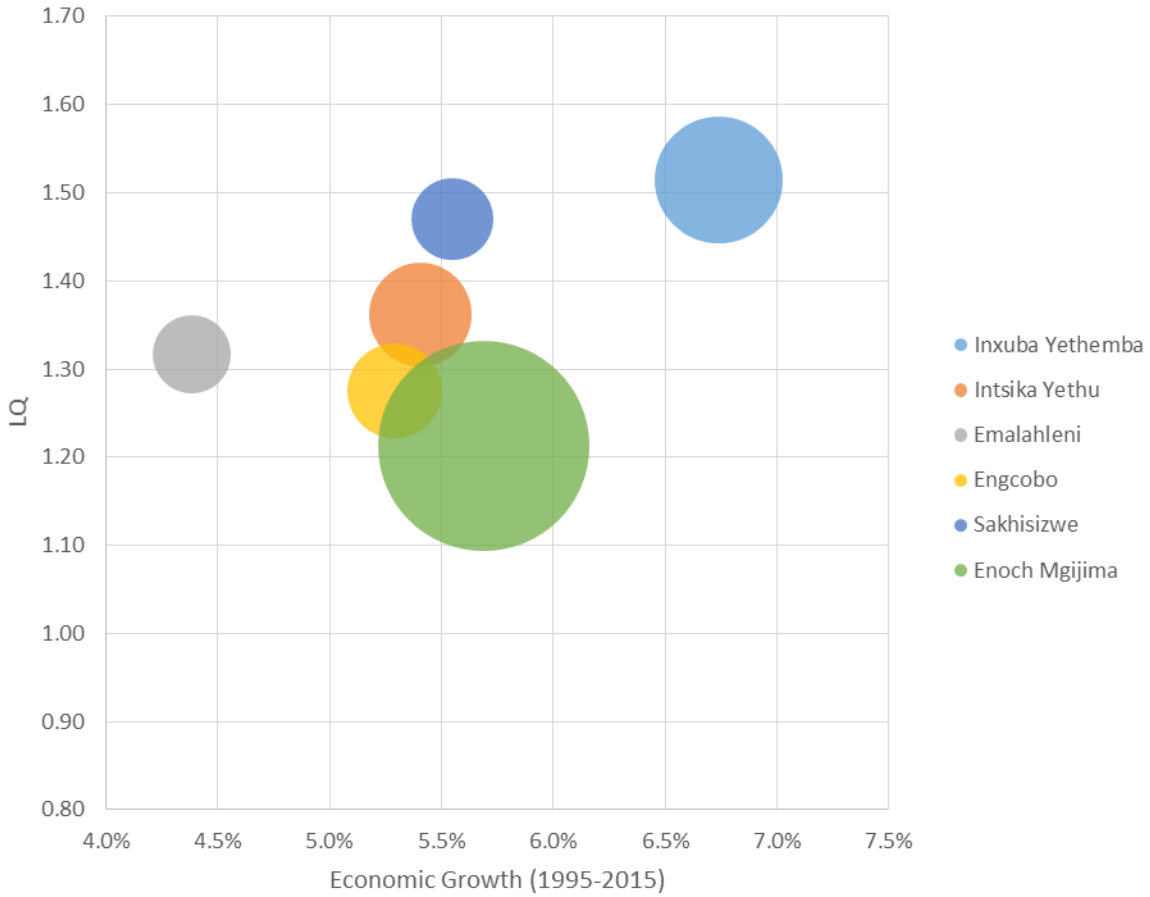
The chart above illustrates the municipal break-down of all the 6 Local Municipalities within CHDM for the Community services sector. From this analysis the following points can be drawn:

- The largest community services sector falls within the Enoch Mgijima Local Municipality and the fastest growth community services sector falls within Inxuba Yethemba Local Municipality compared to the other municipalities within CHDM.
- With little growth the Emalahleni Local Municipality stands out as having the largest comparative advantage within the community services sector compared to the other municipalities within CHDM.

The chart below illustrates the municipal break-down of all 6 Local Municipalities within CHDM for the Construction sector. From this analysis the following points can be drawn:

- All of the municipalities with CHDM grew between 4% to 7%, with Inxuba Yethemba Local Municipality standing out as the fastest growing construction sector and has the highest comparative advantage compared to the other municipalities.
- Emalahleni Local Municipality experience the lowest growth relative to the other municipalities but still high growth in absolute terms.

CHART 59. SECTORAL POTENTIAL ASSESSMENT – CONSTRUCTION SECTOR, 2015 [BUBBLE SIZE GVA, CURRENT PRICES]



Source: IHS Global Insight Regional eXplorer version 1029

15. **Alignment Framework**

This section will conclude the Demographic and Socio-Economic Profile of Chris Hani DM by providing an alignment framework between Outcomes, Objectives, Developmental Issues and Possible Strategic Interventions.

15.1 Rational for Outcome-Based Planning

The CHDM IDP will define the type of society the district aspires to achieve by 2022. The strategy also sets out to confront present and future challenges as they emerge. The CHDM IDP is a prerequisite for medium-term, strategic, spatially-oriented plans for the infrastructure, housing and transportation development. Furthermore, this strategy provides a set of defined strategic directions for the next five-year period and contain specific operational activities, targets and financial budgets. The District has produced a number of important strategies over the past few decades and each strategy has built on the last, adjusting to issues of the day and serving as a living body of documents, able to change as necessary. The strategy therefore adopts an outcome-based approach to planning. The outcomes-based approach strikes the balance between defining, with relative certainty, a 'future development path' – while still accommodating for change. This is particularly relevant in the current paradigm of uncertainty and volatility, within which target-setting is particularly difficult, given the range of unknown variables

This approach seeks to first provide a high-level view of the district's trends and dynamics. In using the Development Profile developed in section 3, this strategy has gone to greater lengths to analyse district-specific perceptions, data, trends and dynamics that may affect the region in the future.

This section offers a clear vision, mission and framing paradigm and principles, alongside outcomes and outputs envisioned. The vision of Chris Hani by 2016 was "A people-centred developmental rural district municipality". The mission was to co-ordinate governance for quality service and better communities through co-operative governance, socio-economic development, integrated development planning, and sustainable utilization of resources". Process of coming with a proposed Vission and Mission has ensued with relevant committees established to look into that and that will be presented to Council which will have a final say to the Vision and Mission for 2017-2022.

There are three developmental principles that define this strategy. Each principle is linked to a corresponding set out objectives and outputs to follow. The principles originate from the most pressing issues observed in the SWOT assessment. In addition, formulating the strategy in accordance with these principles will assist in aligning the IDP with the National Development Plan for 2030. They are cross-cutting in nature, demonstrating a move towards supporting and expanding the approach adopted in the previous IDP. The proposed outcomes are as follows:

- Equitable and Competitiveness Growth.
- Social Development.
- Good-Governance.

15.2 Strategic Alignment

Based on the developmental issues and considerations put forth in the SWOT assessment and sectoral prioritisation, the following table presents an alignment of key policy directives and objectives with the four developmental principles and envisioned outcomes for the district.

TABLE 42. Integrated Development Strategic Framework: Crosscutting

Principle	Policy Directives & Objectives	Outcomes
Equitable and Competitiveness Growth	• Identify and develop high investment potential.	• Well established trade linkages and growing exports, especially for value added products.
Social Development	• Establish an efficient and sustainable rural infrastructure network. • Develop and implement Social Protection initiatives to face the challenges of poverty, poor skills and high unemployment. • Promote the development of synergies between the main industries and socio-economic development programmes.	• Efficient, responsive and sustainable rural infrastructure networks. • Vibrant and developed community that benefit from the local manufacturing sector.
Good Governance	• Build strategic partnership with government and the private sector to support the development of the sector.	• Strategically promoted and marketed sectors in terms of investment attractiveness and export opportunities. • A conducive environment for public private partnership development.

TABLE 43. Integrated Development Strategic Framework: Agricultural sector specific

Principle	Policy Directives & Objectives	Outcomes
Equitable and Competitiveness	• Promoting, broadening and expansion of new opportunities in the agriculture industry that support	• Decent levels of agricultural employment through inclusive economic growth.

Principle	Policy Directives & Objectives	Outcomes
Growth	growth and jobs. • Identify and develop agro-processing and value addition opportunities in the agriculture industry. • Increase the participation of Smallholdings and Emerging Farmers in the Agriculture Economy. • Expand export marketing and facilitate investment attractiveness.	• An efficient, competitive and responsive agriculture economy, supported by value chain and cluster activities. • An enabling and supportive environment for the equitable growth of Small and Emerging Farmers. • Established trade and investment linkages with the rest of the economy.
Social Development	• Agricultural training and skills development. • Social protection and welfare improvement of rural communities.	• Skilled and capable agriculture workforce. • Sustainable rural communities contributing towards a productive agriculture sector.
Good Governance	• A conducive environment for business development in the agriculture industry. • The availability of business planning and institutional partnership support. • Availability of adequate funding and financial support. • Investment into and expansion of the agriculture industry. • Sector growth and expansion through exports and new markets.	• An efficient and effective institutional support structure conducive for Agriculture and Agro-processing development. • Institutional Role-players provide sector support to the agricultural industry. • Sufficient business and financial support is available to local producers. • An extensively promoted and marketed agriculture sector in terms of investment attractiveness and export opportunities.

TABLE 44. Integrated Development Strategic Framework: Trade Sector Specific

Principle	Policy Directives & Objectives	Outcomes
Equitable and Competitiveness Growth	• Ensure functional support infrastructure across the District, such as Warehousing, Storage & Packaging Facilities.	• Improved industrial sustainability, supported by enabling Storage and Distribution Facilities.

Principle	Policy Directives & Objectives	Outcomes
Social Development	• Facilitate skills training in the local industry. • Employment growth and community welfare development through tourism.	• Skilled and professional workforce.
Good Governance	• Development of an aggressive marketing strategy to promote targeted investments. • Ensure adequate access to financial and non-financial support services.	• A vibrant trade sector that attracts new investment to Chris Hani. • Practical and functional environment for starting and conducting business.

TABLE 45. Integrated Development Strategic Framework: Construction Sector Specific

Principle	Policy Directives & Objectives	Outcomes
Equitable and Competitiveness Growth	• To promote diversification beyond the economy's current reliance on traditional and non-tradable services via the promotion of value-addition that can compete effectively in export markets and against imports. • Create an enabling environment for district level clustering and value chain integration. • Facilitate export development, strengthen trade and investment linkages with the rest of the economy.	• A more productive and competitive construction sector that supports inclusive growth and job creation. • An integrated, competitive and innovative industrial economy. • Increased and sustained value-added exports.
Social Development	• Provide adequate supply and alignment of skills.	• Skilled and capable construction workforce.
Good Governance	• Strategic business relations development, networking and investment promotion. • Strategic investment marketing and promotion of the local construction sector and its investment potential.	• An efficient and effective institutional support structure conducive of construction growth and development. • An extensively promoted and marketed industrial sector in terms of investment attractiveness and export opportunities.

2.4 OVERVIEW OF KEY PERFORMANCE AREAS (KPA)

2.4.1 LOCAL ECONOMIC DEVELOPMENT

2.4.1.1 Introduction

Local economic development (LED) as a concept evolving around economic discipline draws from a range of academic fields and theories. LED has primarily established itself in the field of economics and regional or spatial sciences. The field has also been influenced by sociology, political science, business science and to some extent agricultural sciences. While LED is constantly evolving through trial and error it does revolve around a number of central ideas or themes that are based on the historic model of Meier (2001). Such themes include governance, development, economic growth, location, policy and LED strategies and programmes. Each of the theme's theoretical basis is found in either economics, spatial sciences, sociology, political science, business science or a combination there-of.

The White Paper on Local Government[2] (1998) introduces the concept of "developmental local government" which is defined as: "Local government committed to working with citizens and groups within the community to find sustainable ways to meet their social, economic and material needs, and improve the quality of their lives." However the same document makes it clear that:

"*Local Government is not directly responsible for creating jobs. Rather, it is responsible for taking active steps to ensure that the overall economic and social conditions of the locality are conducive to the creation of employment opportunities."*

"LED is the process by which public, business and NGO sector partners work collectely to create better conditions for economic growth and employment generation. The aim is to improve the quality of life for all."
World Bank Definition

Thus, local economic development is about creating a platform and environment to engage stakeholders in implementing strategies and programmes. The White Paper goes on to state that:

"The powers and functions of local government should be exercised in a way that has a maximum impact on the social development of communities – in particular meeting the basic needs of the poor – and on the growth of the local economy.

Development goals therefore primarily focus on ensuring that the community members live a long and healthy life, have access to education and maintain a decent standard of living. While not primarily tasked with employment creation, local government is responsible for ensuring that economic conditions are favourable for economic growth which will lead to employment creation. The robust economic growth experienced in developing counties during the 1990s coincided with strong employment growth.

The **National Framework for LED** then sets out a clear framework and specific objectives to guide Local Economic Development.

•

a. Economic Development Principles

There are various different approaches to local economic development

The position taken by the Chris Hani Regional Economic Development Strategy is that the government, unless it expands the public service, does not create jobs and that government's primary responsibility is to:-

- ✓ *Improve the socio-economic support to prepare people to take up economic opportunities;*
- ✓ *continuously improve the enabling environment by minimising red tape and the transaction cost of doing business, and*
- ✓ *Create an enabling environment for new investment as well as the retention and expansion of existing business.*

b. Drivers of economic growth in our province

Our economic development planning is informed partly by the NSDP (National Spatial Development Perspective) which advocates the following expenditure principles:

- Focus economic growth and employment creation in areas where this is most effective and sustainable as economic growth is a prerequisite for the achievement of other policy objectives, key among which would be poverty alleviation.
- Foster development on the basis of local potential by ensuring that government spending on fixed investment, beyond the constitutional obligation to provide basic services to all citizens (such as water, electricity as well as health and educational facilities) is focused on localities of economic growth and/or economic potential in order to attract private-sector investment, stimulate sustainable economic activities and/or create long-term employment opportunities.
- Address past and current social inequalities by focusing on people not places so that in localities where there are high levels of poverty and development potential capital investment expands beyond basic service provision to exploit the potential. In localities with low development potential, government spending, beyond basic services, should focus on providing social transfers, human resource development and labour market intelligence to enable people to become more mobile and migrate, if they choose to, to localities that are more likely to provide sustainable employment or other economic opportunities.
- Overcome the spatial distortions of apartheid by channeling future settlement and economic development opportunities into activity corridors and nodes that are adjacent to or link the main growth centres to create regional gateways to the global economy.

The NSDP categorization gives Chris Hani District Municipality low to medium resource potential, low human need and low economic activity thereby implying that the District should focus on the provision of basic infrastructure but increase expenditure on social infrastructure and particularly on human resource development.

The Eastern Cape Vission 2030 advocates the "Systematic eradication of poverty through a holistic, integrated and multi-dimensional approach to

- Pro-poor programming.
- Agrarian transformation and strengthening of household food security.

- Consolidation, development and diversification of the manufacturing base and tourism potential".

These objectives are realised through the support of the three foundation objectives of infrastructure development, human resource development and public sector and institutional transformation.

The Eastern Cape Vission 2030 further goes to highlight areas of potential developmental activity in the Eastern Cape Provincial Spatial Development Plan (PSDP) which in the Chris Hani District Municipality are the:

- Friendly N6 and Maluti routes
- Conservation of Forests in Engcobo Local Municipality
- Potential for Coal Mining at Indwe, Emalahleni Local Municipality
- Industrial potential of Queenstown
- Karoo heartland i.e. Cradock and Middelburg
- Potential for Agriculture through Industrial Parks Concept

The Province has since identified the following High Impact Priority Projects (HIPPs).

Economic growth and Infrastructure cluster.

- Infrastructure development
- Umzimvubu Catchment Basin
- Agricultural beneficiation & forestry

Social Needs Cluster.

- Scaling-up Prevention and Treatment of HIV/AIDS
- Community Mobilisation Against Crime

Governance and administration Cluster

- Strategic skills Project (NSF)
- Financial Viability for local government
- Planning , monitoring and evaluation

c. Regional Economic Development Strategy in the Chris Hani District Municipality

The CHDM Local and Regional Economic Development Strategy was developed in 2009, the Strategy was reviewed and adopted by Council in the 2013/14 financial year, through an intensive consultative process with the participation of key stakeholders from the public and private sectors and civil society informed by current agreements, District, Provincial and National policy positions and plans, and relevant legislation. The strategy is supposed to be reviewed bi-annually so as to conform to changing circumstances. Particular emphasis has been placed in the 2006 Growth and Development Summit (GDS) agreement in the formulation of this strategy. The strategy acknowledges our rural situation and therefore advocates for promotion of rural urban equity in infrastructure development, services expansion and stimulation of economic opportunities. In an attempt to follow up and give the way forward on the resolutions of both the Chris Hani District Municipality's Growth and Development Summit, as well as Water and Rural Development Summit, the Agricultural Indaba was held in February 2011. Amongst other things, the Indaba sought to facilitate a set of solutions to improve planning and coordination that would result in a vibrant agricultural sector in the district. CHREDS has to further incorporate the SEZ Concept which the district has followed.

The Chris Hani District Municipality developed and adopted a District Development Agenda that focuses on the development of all its Six Local Municipalities through the identification of competitive advantages of its local municipalities. This was later translated into an Agro Industrial Plan that has been used as a spring board to the proposed Special Economic Zone. As part of that process the Coega Development Corporation was commissioned to conduct a feasibility study to ensure that the future plans, productive capacity and economies of scale of each LM are properly captured and articulated to inform the establishment of the clusters. Further to the above attempts towards the advancement of the Agrarian and Rural Development in the region, Chris Hani District Municipality has adopted a "Developmental Agenda" that seeks to guide development in its area of jurisdiction. This explained by a slide below and covers the Six local municipalities within the district.

Developmental agenda/5 priority areas



5 Priority areas of Govt

I. Creation of decent work and sustainable livelihoods
II. Education
III. Health
IV. Rural development, food security and land reform
V. Fight against crime and corruption

To further emphase the importance economic development the institution held an Investment summit by May 2013 which was focussintg on ensuring measurable economic growth and creation of a substantial number of jobs in the CHDM area.

As the perfect showcase of business and growth opportunities, CHDM Investment Summit was to facilitate encounters between investors, government, business sector and relevant development finance institutions at all levels, and highlight bankable projects and investment packages. The Summit assisted in providing opportunities for private sector engagement, focusing on key development areas (as specified in the Chris Hani Developmental Agenda, with the goal of making a real impact on job creation and poverty alleviation.

The highlights include a road map of how constraints hampering development are to be overcome by government and private sector, and strategies to improve competitiveness of key economic sectors through taking advantage of the strategic endowments of the District.

Chris Hani Regional Development Strategy provides focused areas around which resources can be leveraged and mobilised in order to contribute to the broad overall objective of ensuring that all people in the district are able to benefit from the economy.

i. Agricultural Sector as Competitive Advantage of the District

The achievement of sustained economic growth and development and the creation of a competitive advantage for the District rely absolutely on the prioritisation of interventions which will have the greatest impact both socially and economically.

The Competitive Advantage therefore for the district points to the broadly defined agricultural sector as the one with the most potential to contribute to job creation, promoting of livelihoods opportunities and contributing to sustained social and economic growth and development.

The prioritisation of a particular sector implies:

- Dedicated allocation of resources
- Strategic decisions on the distribution of limited resources and funds
- Clear publicly stated focus
- Spin off benefits for other sectors
- Prioritisation within the sector

  The two sub-sectors within the broadly defined Agriculture sector that have the strongest comparative advantage and which are best positioned to result in job creation and improvement in livelihood opportunities are:

  - Timber production and processing
  - Livestock production and processing





Whilst crop production and agro-processing sector remain important areas of intervention within the District, the present cost of transport to high volume markets will most likely render local production uncompetitive until substantial economies of scale and consistent quality can be achieved.

Furthermore, the current business model of irrigations schemes has been reviewed (CHDM, in partnership with the Provincial Department of Agriculture and Rural Development through its agency ECRDA has developed a comprehensive business plans for the irrigation schemes) in order to ensure the establishment of professional management, encouragement of entrepreneurship, and inclusion of integrated business development support. This sector is of political significance and has the potential to contribute to regional food security, service local markets and social development. This remains an important strategic area of focus for the CHDM and requires a detailed and specific intervention.

The **timber and livestock production** and processing sub-sectors are **already positioned** to significantly contribute to the economic growth and development of the District. These two sub-sectors **require "special" attention** and are to become the focus of a special purpose vehicle or a **regional economic development agency**.

ii. Corridors, value chain integration and cluster development

The CHDM REDS has adopted a specific approach which is integral to its regional economic development. The first component of this approach is that of **Corridor Development**. The second component is that of V**alue Chain Integration,** and the third that of **Cluster Development**. It is important to recognise how these approaches differ and how these relate to one another.

2.4.2 CORRIDOR DEVELOPMENT

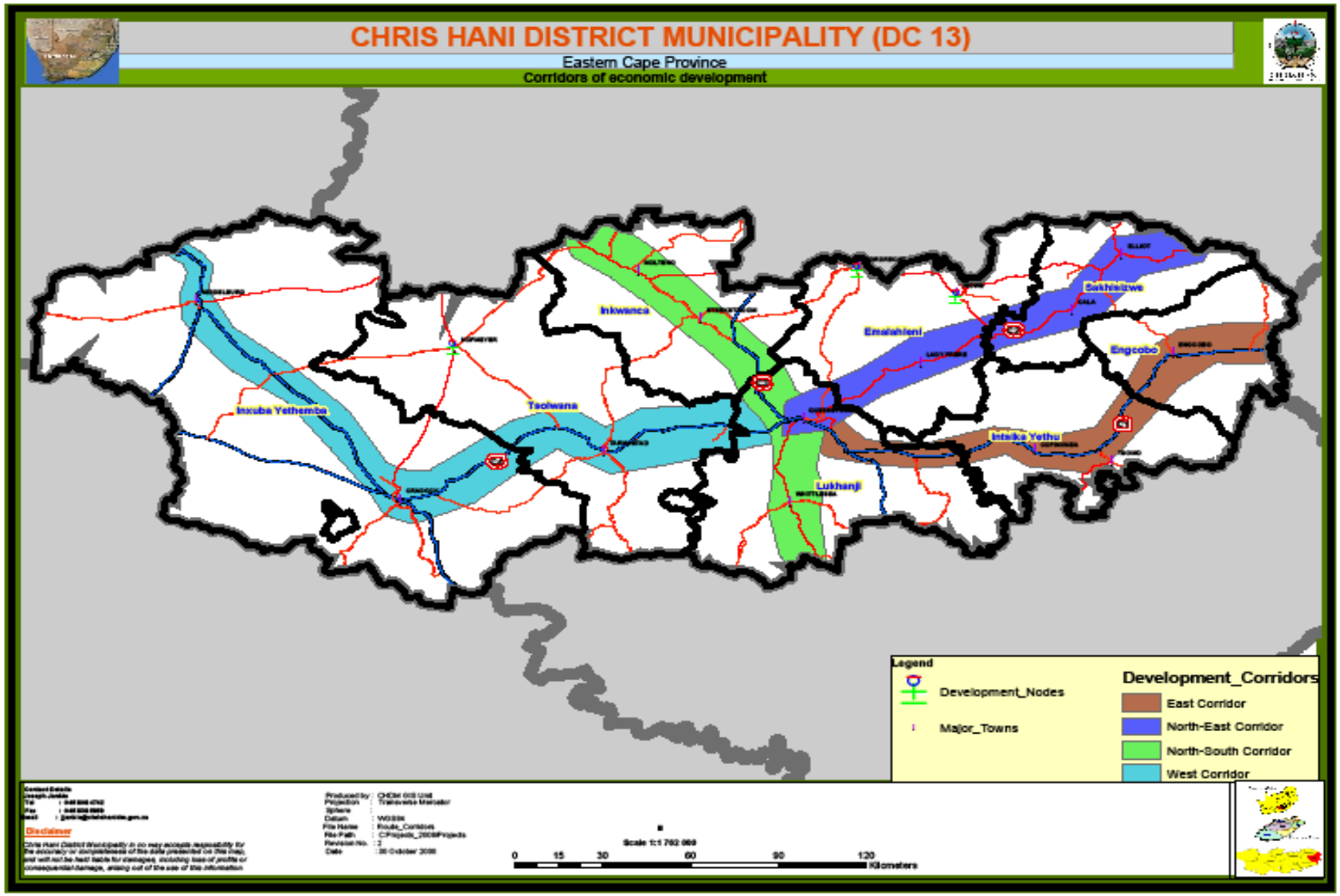
The Concept Paper on LED Multi-Sector Based Corridor and Value Chain Addition which was developed in 2009. It has been able to come up with a contextual definition of the Corridor Develpment and Value Chain Addition where it has defined as: "The LED corridor plans is based on ward profiles that identify communities with common synergies, relation and connection or similarities of economic activities in terms of sector programmes which cut across from ward to ward, wards to local municipalities, Local Municipalities to District Municipalities and District Municipalities to the Province. The LED Corridor Multi-Sector approach is expected to be supported by Value Chain Addition Programmes aimed at creating marketing edge with sound Corridor Projects". However the concept document has also managed to further define the approach makes it clear that:
"The purpose of the LED Multi-Sector Based Corridors approach is to support CHDM, during IDP processes, REDS and LEDS in their endeavors to facilitate an enabling socio-economic environment for the eight local municipalities that will unlock the economic potential of the communities or wards within the District.
This will go a long way in income generation and job creation, premised on changing the lives of the citizens for better."

CHDM is committed to a corridor development approach. Integral to this approach is a focus on geographic and spatial initiatives and interventions which link the node towns and small towns surrounding these nodes in an integrated economic development process. Small town regeneration initiatives are central to this approach.

The Walter Sisulu (**East)** Corridor outlined in brown on the map below runs along the R 61 and links Ngcobo, Cofimvaba and Tsomo to Queenstown. The Bathandwa Ndondo (**North-East)** Corridor links Elliot,

Cala and Lady Frere to Queenstown. The Calata (**West)** Corridor links Middelburg to Cradock along the N10 and then links Cradock, Tarkastad to Queenstown along the R61. The Friendly N6 (**North –South)** corridor links Whittelsea to Queenstown and Molteno.

One of the main objectives of the corridor development approach is to ensure integration and alignment of economic development plans with spatial development plans, land use plans, infrastructure development plans and other relevant sector plans. It allows CHDM to implement a wide range of generic and routine LED initiatives, whilst simultaneously focusing on the defined area of strategic differentiation and the concept of value chain integration.


CHRIS HANI DISTRICT MUNICIPALITY (DC 13)
Eastern Cape Province
Corridors of economic development
Inkwanca
Emalahleni
Sakhisizwe
Engcobo
Inxuba Yethemba
Tsolwana
Intsika Yethu
Lukhanji
Legend
Development_Nodes
Major_Towns
Development_Corridors
East Corridor
North-East Corridor
North-South Corridor
West Corridor
Disclaimer
Scale 1:1 702 000
0 15 30 60 90 120
Kilometers

2.4.2.1 Value Chain Integration

Value chain integration implies looking at all the components of a particular sector and subsector and identifying what can be done or put in place to add value to what already exists, and in doing so, promote job creation and provide more livelihood opportunities.

The timber production value chain is predominantly located within the North Eastern Corridor and the North West Corridor. Timber value adding activities are predominantly located in Queenstown, with potential for early gaps in the value chain (e.g. sawmills, treatment, processing of waste, etc) to be strengthened and/or established within towns along the two defined corridors.

The livestock value chain extends across all corridors in the District, with particular points of focus around the strengthening / establishment of strategically located public goods investments (e.g. abattoirs, tanneries and other value adding facilities.

Value chain analysis can be used to identify “gaps” in a locality or along a corridor in order to make strategic decisions about what interventions to implement (or what not to implement).

The value chain integration approach is particularly important in the development of a competitive advantage for the district and in the understanding of the need to make strategic decisions to allow the district to competitively position itself nationally and globally. Choices then arise as to whether to focus on trying to develop all the components of all the value chains or to focus on part of those value chains where one has a comparative advantage with the most potential to be converted into a competitive advantage.

2.4.2.2 Cluster Development

In order to build a regionally or globally competitive position it is necessary to determine in which part of each value chain one can compete and then relentlessly cluster in all the resources, competencies and technology that will be demanded from everyone who can add value or influence moving forward to achieving the strategic intent.The cluster approach to develop focused and strategically located value chains may well provide the momentum needed to begin the rebuilding and rejuvenating of small towns within these municipalities.

2.4.3 Facilitation of Economic Development

The overall responsibility for the facilitation of economic development lies with the District Municipality. The key issues as identified by the REDS were identified through a consultative process include:

i. Building on sector specific comparative advantages
ii. Creation of an enabling environment
iii. Corridor development
iv. Regular, mandatory and opportune economic development functions

2.4.4 SMALL MEDIUM AND MICRO ENTERPRISES

A Stats-SA Survey (March 2001) found that about 9% (209 000) of all businesses in SA, mostly black or PDI are in the Eastern Cape. The survey further uncovered that women entrepreneurs in the EC outnumbered men by almost three to one in the province – a figure well above the national average. The survey's findings also confirmed that of the 209 000 small businesses, 126 000 were based in rural areas of the Eastern Cape (Programme of Support for LED in the Eastern Cape, 2004).

Small and medium enterprises have a significant contribution (collectively 29%) to the provincial economy as opposed to informal and micro businesses (collectively 6%) in the Eastern Cape. The same scenario prevails in terms of employment contribution by both the small and medium-sized enterprises (collectively 37%).

Estimates suggest that there could well be more than 30 000 small business operators. The majority of businesses are owner-managed or sole proprietors with few business partnerships particularly in the rural areas (ECMAC Database 2005). However, there has been an increase in the number of cooperatives being established as part of government's drive to promote the cooperatives movement. More than 50% of the small businesses have been in existence for more than 5 years which demonstrates resilience by local enterprises.

More than half of the enterprises are in the trade sector, followed by community, social and personal services sector businesses. Catering and accommodation represents a third sector with a relatively high level of commercial activity in terms of district entrepreneurship.

Few enterprises are involved in commercial agriculture despite the numerous agriculturally based poverty alleviation projects being supported by the ISRDP programme. The majority of businesses fall within the micro and small business categories in terms of turnover levels and employ an average of 7.5% employees (Local Business Enabling Environment Study 2007).37% of business owners are between the age group of 30 – 39 years with those under 30-years only making 13% of local businesses (Local Business Enabling Environment Study 2007).

2.4.4.1 The SMME business environment within Chris Hani

As depicted on the situationa analysis of the district, In general the area lacks business support services as business people have to either travel to Queenstown or outside the municipal area to access business support services. Enoch Mgijima has the most developed business environment as the area is the main urban centre of the district and its primary economic node.

SMMEs face a swathe of constraints related to the legal and regulatory environment; market access; access to finance and suitable business premises; the acquisition of skills and managerial expertise; access to appropriate resources and technology; the quality of infrastructure, especially in poverty and rural areas; bureaucratic hurdles; and in some cases, the tax regime (Annual Small Business Review, 2001). The District developed its own SMME Development Strategy in 2007 in an attempt to address the mentioned constraints which was last reviewed in 2010. The SMME Strategy is being developed and aligned accordingly to the new developments in the country so that it will addres issues of the area and will be adopted by council within 2017-2018 financial years.

The District's Growth and Development Summit (**GDS**) held in 2006 was a historic milestone to strengthen private-public dialogue and commitment to a shared pro-poor economic and investment growth path for the district. One of the key and relevant resolutions taken at the GDS relate to the establishment of a fully representative district-wide business forum, with various local business forums in each local municipality set up to allow dialogue between the public and private sectors that would act as a single interface to lobby advice and partner government to further common course. To further strengthen the GDS the municipality is planning to conduct the follow up session on GDS resolution taken so as to track commitments make. The Chris Hani District Business Forum has been established as that structure with seven local business forums out of the eight local municipalities in the District.

The government identified the development of cooperatives as one of its flagship programmes to develop the second economy that supports the majority of the population in as far as creating jobs, increasing household income, reducing poverty, and improving the overall standard of living is concerned. It was for this reason that the District actively supported and facilitated the establishment of the Chris Hani District Cooperative Forum in November 2008 and by extension the eight local cooperative forums that exist in the district. The District also assisted with strong financial support in the coordination of a three day cooperative indaba that was held in June 2009. The indaba was characterized by interactive seminars and commissions on a variety of subjects affecting the development of cooperatives. The cooperatives were also exposed to a variety of funding, procurement, marketing, networking and other opportunitiesiety.

The SMME and Cooperatives Business Development programmes were created to, among other things, promote the development of sustainable SMMEs and Cooperatives, thereby increasing the number and variety of economic enterprises operating in the formal economy and to create jobs. To this end, R2 425 494.00 was granted to SMMEs and cooperatives and 376 jobs were created during the period.

The Chris Hani District Municipality (CHDM) has partnered with the Metropolitan SMME Portal which is involved in the development of SMMEs. This organization has hosted annual SMME business imbizos in the district since 2009. The District sees these Business Imbizos as an opportunity to showcase the existing opportunities, while further capitalising on network vehicles to unleash the economic potential of the District. Through information dissemination at various fora, the District is ably positioned to promote strategic support to the business fraternity under its jurisdiction. These SMME Portal Business Imbizos have been portrayed as a vehicle that promotes dialogue between business and government, the private sector, parastatals and linking SMMEs to opportunities and development agencies.

The CHDM has always viewed itself as an important node to synergising, coordinating, and aligning with various actors who invest and contribute in other ways to business development efforts. This is the main reason for CHDM's participation in these Imbizos. It is hoped that the Imbizos, amongst other things, will address the poor economic activity within the District. They will also assist in strengthening the skills and business structures of the SMMEs, allowing them to become sustainable and in a better position to tender on private sector and public sector contracts.

CHDM together with the Border Kei Chamber of Business got into a joint initiative in late 2009 to establish the Chris Hani Enterprise Propeller (CHEP) with financial support from Thina Sinako. This came after the realization that in the District more than R2.5 billion is spent annually on goods and services but 80% of this amount is estimated to be leaving the District. This is due to the fact that local suppliers, possibly, do not have the relevant skills or are inadequately capacitated to successfully aply for tenders. CHEP is there to support emerging and eastablished enterprises in the District to compete more effectively for tenders by providing them with quality business advice, information and mentoring services, and facilitating more effective linkages between them.

2.4.5 AGRICULTURAL DEVELOPMENT

Agriculture forms one of the key potential growth sectors in the CHDM. The Integrated Agricultural Strategy was developed in 2008 and due to some development was further reviewed and to be adopted by council before end of the current financial year 2016/2017. It prioritised the following sectors for investment:

- Agro – processing e.g. cheese production
- Livestock farming particularly Goats and Cattle
- High Value crop producton e.g. hydroponics and bio-fuels
- Advantage of Irrigation schemes

Livestock farming is an important source of income for both commercial and communal farming. The western part of the region is increasingly turning to game farming especially in the areas around Queenstown, Cradock, Tarkastad and Molteno. The District Municipality has engaged in partnerships with National Wool Growers Association (NWGA) to improve the quality of wool sheep, develop wool growers associations, train farmers on livestock and veld management and build appropriate infrastructure such as shearing sheds and fences. In the past financial year a number of Shearing sheds were built and completed at Intsika Yethu LM, Lukhanji and Engcobo municipalities.

Further partnerships with the Agricultural Research Council and Department of Agriculture and Rural Development have resulted in the construction of livestock handling facilities. ASGISA-EC (ECRDA) and TEBA Development are assisting with development of the livestock improvement programme by introducing the concept of Village Link Persons (VLPs) where community members received training in livestock handling and treatment, in certain areas where infrastructure is in good condition animals are introduced with the main aim of improving livestock quality (goats , sheep and cattle) , quality rams and provision of veterinary services.

The District Municipality has in the past financial year formed partnership with Zulukama Investment Trust , a community owned organisation with the main aim of improving livestock quality in 5 Villages in Hewu area.The programme was planned to run for a long period as the affected Institutions are expected to provide after care support.

The greatest challenge to livestock production remains lowskills level, access to land, poor veld and livestock management, limited access to market, limited access to financial and credit access by emerging farmers due in part to insecure land tenure, limited mentoring and information from DoA and dilapidated and insufficient infrastructure such as roads, fencing, stock dams and dipping tanks.

Dryland cropping is only feasible in small parts of CHDM within the Intsika Yethu, Sakhisizwe and Engcobo municipalities. The District Municipality in collaboration with both the DARD and Emalahleni Local Municipality is involved in the Sorghum production programme in Emalahleni LM the main aim of this undertaking is to provide adequate raw material to the Mill Plant so as to maintain the project sustainability, DoA have prioritised these areas under the Massive Food Programme. The Siyazondla homestead food production programme assists with improving household food security. Under High Value Crop Production, the DM supported the pilot project for Hazel Nuts production at Glenbrook irrigation, partnering with ECDC and an Italian Company. The project was initiated by Agrisudafrica and Eastern Cape Development Corporation (ECDC) as a Community Development Project with contributions by various other role players including the Department of Agriculture and Rural Development (DARD).

The project is a pilot project for the evaluation of hazelnut production viability in the area with added value in the form of a successful vegetable business and training programme.

There is presently 8000 ha under irrigation with CHDM containing two of the largest irrigation schemes in the Eastern Cape i.e. Ncora and Qamata. A further 7600 ha could be placed under irrigation if the large Gariep Transfer Project were to be implemented. However there are vast areas of underutilised land within the existing schemes such as Shiloh where only 40% of the scheme is currently utilised. In addition to these schemes there are several large scale commercial farming enterprises.

Any future irrigation development must consider the recommendations from the District's WSDP (Water Services Development Plan) that CHDM should not consider developing any more irrigation schemes apart from the already established schemes and must look at other methods of irrigation such as drip irrigation which ensure that water evaporation is minimised.

CHDM and Department of Rural Development and Agrarian Reforms have prioritised irrigation schemes under their respective revitalisation and resuscitation programmes. Their collaborative efforts are focussed towards attracting investors to run the schemes under private, public partnerships.

Funding has been provided for setting up the correct institutions to run the schemes, building of lay dams, centre pivots and irrigation systems, upgrading of office facilities, seed, planting and harvesting operations as well as equipment such as tractors, ploughs and trailers.

However due to the complex community structures residing within the schemes, the effort of the District and its partners has not yet resulted in independent and financially sustainable irrigation schemes although considerable progress has occurred.

There is a clear development approach being followed by CHDM and DARD in developing the irrigation schemes. The developments have started at Shiloh Irrigation Scheme (where a Dairy Enterprise has been established). The CHDM and DARD have co-funded the project focusing at developing Ncora Irrigation Scheme. The following year focus on Qamata and Bilatye Irrigation Schemes. CHDM and DARD are also facilitating the development of comprehensive business plans (commissioned by ASGISA-EC now called ECRDA) for Ncora, Qamata and Bilatye Irrigation Scheme. The plans will assist in directing future developments in the schemes.

2.4.6 FORESTRY, TIMBER AND WOOD PRODUCTION

The Chris Hani District Municipality is richly endowed with a number of forest plantation resources. Most of these forest plantations are found in Intsika Yethu and Engcobo Local Municipalities and are owned by DAFF. There are also some woodlots and few hectors of category A plantations (Pine stands) in Sakhisizwe Municipality. The Forestry development in the district is informed by the Regional Development Strategy which highlights matters around forestry. Forestry Strategy has been developed for the first time as the area has potential and rich in forestry,Timber and Wood production, a service provider has been commissioned to develop the strategy and this was finalized by financial year 2014-2015 financial year and has yet to be adopted by Council.

Despite the existence of raw material, land for aforestation and market opportunities, the forestry sector in Chris Hani District Municipality remained uninspiring, with very little significance to and impact on the economy of the region. In order to address this and to take advantage of a number of opportunities that the sector presents, specifically in relation to SMME promotion and community empowerment , Chris Hani Municipality and the Local Municipalities have prioritized forestry as one of the sectors that are key to economic development of the region. The Wood Cluster programme was then proposed in the 2003-2004 financial year.

The situational analysis of the forest plantations and woodlots in Chris Hani District Municipality revealed that their management is poor. The operational costs of the forest plantations and woodlots far outweigh the income generated by these plantations. This, in other words, means that these forests are operated at a loss. The quality that is produced is not good. In order to address these issues, the strategy with the following components was proposed:

- Proper management of forest plantations
- Value adding processes.
- Investment promotion
- Meaningful empowerment of communities
- Continued monitoring and evaluation of the process to address the problem areas.

- Capacitation of the existing small sawmillers

The DTI co-funded the Sawmill project for the implementation plan development. A challenge of inadequate supply of raw material for this project is being investigated. The DTI conducted a special study on the sawmillers around Chris Hani on aspects of productivity, yields, issues of safety, technology and skills. Through the study it has been discovered that there is a need for skills development and technology upgrading to improve the productivity and competitiveness.

Since the DTI is starting a National Training Programme on small-scale sawmilling, the district municipality has been chosen as a pilot. The dti approached SEDA to conduct training for the Sawmillers on Co-operatives core principles and Business plan development. Training started in May 2010. SEDA is assisting on the registration of the sawmillers as primary Co-operatives.

A skills development programme was conducted by Forestry SETA at Engcobo charcoal project. The training started on 01 March 2010. The SETA introduced a New Venture Creation project (Business skills development programme). The CHDM has also piloted the project at Lukhanji Local Municipality since March 2010.

A number of projects were identified as the key pillars of the Forestry Strategy. Interventions in the form of feasibility studies, business plan development, skills development, workshops and establishment of Project steering committee have all been the build up to the implementation of the Chris Hani Forestry strategy, which together with the business plan were endorsed by the Council.

The local Municipalities have been consulted and brought on board in terms of the projects identified for their areas and programme to unfold in respect of the implementation of the projects.
Project beneficiaries and other relevant stakeholders have been brought on board and roles and responsibilities are outlined on individual projects.
Suppliers of services and products for the implementation of the projects have also been identified and some already approached to commence delivery. The projects that were identified are as follows:

- Sawmill project
- Aforestation programme
- Pole treatment plant
- Engcobo Charcoal Manufacturing project
- Sakhisizwe Charcoal manufacturing project
- Tree Nursery Project

Current progress on Charcoal Projects:

(a) Engcobo Charcoal Manufacturing project :

Project has been registered as Spring Forest Trading cc.Two charcoal kilns have been installed, fencing of the site is still in progress, offices, stores and ablution structures have been ordered. Project is operational as from 09 February 2009. 32 people are employed (Beneficiaries) and 1

project coordinator employed on 6 months contract for infrastructural development and skills transfer. Sasol has been brought on board to assist on market identification, skills development and value-chain establishment. Charcoal tests were done by SASOL and the results were 82% complient. Training for the beneficiaries was conducted by the Forestry SETA on Charcoal production.

(b) Sakhisizwe Charcoal Manufacturing Project

The project has been started in August 2010. The purpose of the project is to fight alien vegetation. This in turn creates job opportunities through the Charcoal project. The Sakhisizwe project is still on the initial stages. It is not as fully functional as in the case of Engcobo project. However, the project will take the same form of Engcobo project in terms of operation and institutional arrangements.

2.4.7 CONSTRUCTION AND COAL MINING

The District has a high development profile in terms of the ISRDP nodal status. Its high infrastructure budget allocation presents opportunities for the establishment of a local construction industry and may enhance competitiveness by addressing critical shortcomings in economic infrastructure. The strong growth and development in public housing and construction comes with a huge demand for construction material such as clay and cement bricks. At present illegal brick making activities are prevalent throughout the district mainly to fulfill the demand of private construction needs. Due to low quality and illegal operations, these bricks cannot be used for public sector construction.

The EC Vision 2030 has identified coal mining at Indwe and Molteno as a HIPPS project which is at Emalahleni Local Municipality. The exploitation of the Molteno/Indwe coalfields is currently being investigated to access their viability. A public private partnership company has been established with Elitheni. Prospective rights for the Indwe Coal Mines have begun and the results look promising. By 2008 the site was set up for the first blast and currently the coal is shipped to countries like Brazil. Coal Mining has been doing very but currently it has experienced some Socio-Political Challenges.

2.4.8 MANUFACTURING

Manufacturing represents a significant proportion of the CHDM economy at 8 % GGP and 5 % employment. Lukhanji municipality especially Queenstown has a small furniture, dairy processing and wood products industry and operates as the prime manufacturing centre of the District. Middelburg and Cradock have food processing activities. Manufacturing mainly takes place in Queenstown and the major activities are furniture making, food processing and pressed metal. The three biggest employers in Queenstown are manufacturers' viz. Seating, Twizza, Crickley Dairy and Stateline Pressed Metal. Other manufacturing industries are biltong processing, cheese making, Ouma rusks, leather processing and bone meal production.

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2.4.9 AGRO-PROCESSING

While the districts' agricultural potential is obvious, primary agricultural projects have had a minimal impact on unemployment. This situation necessitates strategies to increase value-added production by exploiting opportunities that exist along the various crop and livestock value chains.

Particular advantages lie in food-processing based on resource and crop availability, existing factory infrastructure, as well as relatively well developed road infrastructure when compared to other rural districts.

The bulk of the districts' farm output goes for processing outside the district e.g. milk, beef, wool, fruit etc which regulates the district to the bottom of the value chain. Opportunities exist in food-processing especially in the areas on convenience food, specialty foods and organic foods. Beside food –processing the District can promote high value crops such as cotton as well as bio-diesel.

Bio Fuel Development at Cradock

Bio-diesel iniatives present huge opportunities especially around the existing sugar-beet project near Cradock where Sugarbeet SA, Central energy Funds and the IDC have entered into a partnership that will see 6000ha of sugarbeet planted, construction of Ethanol production plant and buying of the ethanol by PetroSA to blend into their stock. It is estimated that this project will create up to 2000 temporary jobs and 500 permanent jobs only in the Ethanol plant construction phase.

The economy of the Eastern Cape Province is poised for re-engineering, revival and vibrancy now that the R2 Billion Cradock bio fuel plant construction has been put into process by the government departments responsible for this national pilot project. This bio fuel project is developed under the auspices of the Industrial Development Corporation (IDC), Department of Trade and Industry (DTI) and Department of Rural Development and Land Reform (DRDLR). The last is playing a leading role and is providing the needed land where the required sorghum and sugar beet will be growth. The agriculture leg of this project is that it will have as its spinoff the development of livestock in the CHDM region and adjacent farming towns because the bio fuel farms will also produce animal feed that will be used to develop quality beef cattle- a process that will bolster the red meat industry of the province. The sleepy town of Cradock is set for a re-awakening. There will be jobs and opportunities to establish businesses for the local people. The Cradock bio fuel project is set to revive the economy of the Eastern Cape in that it will re-activate all sectors of the economy of this motor province.The multi-million rand Cradock bio fuel plant is a catalyst for industrial revolution in the Eastern Cape and hence lifted by the President of RSA and Premier of Eastern Cape as one of projects to be funded and looked into.

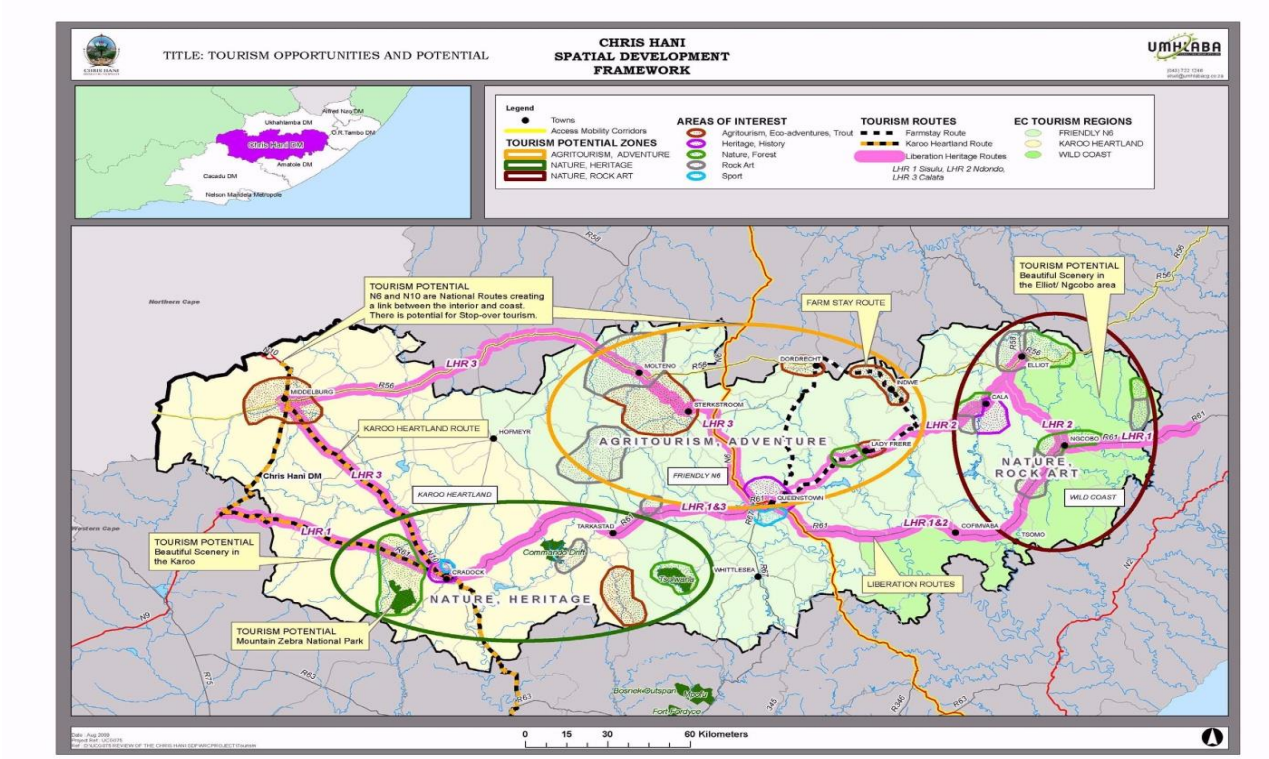
Trade and Services

Trade and services contributes in total between 16 % to the District GGP in 2000 and 22 % employment in 2004. The majorities of SMME's are found in the retail and service sector (73%). It is the predominant form of economic activity in CHDM.

2.4.10 TOURISM & LIBERATION HERITAGE DEVELOPMENT

The CHDM has a rich history and natural resources that can promote tourism development in the region. These resources are untapped and are not adequately budgeted for within the District and local municipalities. The District has access to a number of major routes, the friendly N6 and the N10 which link the District with East London, Bloemfontein and Port Elizabeth and the R61 linking Queenstown with Mthatha and the Wild Coast.The region's emergence as a malaria free game farming and nature reserve location has contributed to tourism revenue, a trend that looks set to continue. The growth of this sector may crowd in private sector investment and support the emergence of supporting industry and services.

The District offers a variety of tourism experiences ranging from wildlife (MT. Zebra National Park game, game or nature reserves, game farm etc); Adventure activities e.g. Fish River Canoe Marathon, Hiking trails, abseiling, Fishing etc.: Historical buildings, battle s sites, Rock Art, Anglo- Boer War Memorials to Liberation Struggle Icons i.e. Chris Hani, Vuyisile Mini, Cradock Four, Walter Sisulu, DR AB. XuMa, Rev. James Calata etc.



The CHDM Tourism Integrated Master Plan as adopted by council 2016 and cites that Chris Hani District Municipality has a total of 204 tourist accommodation establishments, providing 3,409 tourist beds. The Plan is outdated and has to be developed so as to reflect the current levels and status of the Tourism within District.

Using the total number of beds and the average occupancy of the accommodation aggregated from the individual Tourism Sector Plans, the total number of tourist bednights sold per annum (calculated for the over 2008/9 year) is calculated to be 339,810 (see table below), at an overall average bed occupancy of 27.31%.

CHRIS HANI DISTRICT MUNICIPALITY TOURIST ACCOMMODATION OCCUPANCIES & BEDNIGHTS SOLD			
Accommodation Type	**Number of Beds in Chris Hani**	**Average bed occupancy in Chris Hani**	**Bednights Sold per annum 2007/8**
Backpacker & Hostelling	0	0.00%	0
Bed & Breakfast	819	37.79%	112,973
Guest houses & Guest farms	1187	30.60%	132,595
Country House	47	25.32%	4,344
Hotels	298	18.06%	19,640
Lodge	294	17.83%	19,133
Self-Catering	332	23.12%	28,021
Caravan parks and camping sites	432	14.65%	23,105
TOTAL	**3,409**	**27.31%**	**339,810**

(Compiled by Kyle Business Projects)

The average bed occupancies of the different types of accommodation in the Chris Hani District Municipality, and the derived total number of bednights sold per annum for 2012/13.

The average bed occupancies are calculated as a weighted average of the bed occupancies in each Local Municipality. Adetailed analysis of tourism has been presented above.

Economic Impact of Tourism

The economic value of tourism to the Chris Hani area is derived from the direct spend of tourists in the area, and from the jobs supported by tourism.The direct contribution to GDP is calculated from the total tourist bed nights sold in the area, and the average daily spend of tourist. From this data, the projected economic impact of tourism is calculated using the international simulated Tourism Satellite Accounting (TSA) system developed by the World Travel & Tourism Council / Accenture, in conformance with the conceptual structure of the WTO/UN TSA. This model calculates the economic impact of tourism on a geographic economy using the basic direct spend of tourists into the tourism industry, and a system of economic multipliers which define how that direct spend recirculates in the economy.

In the model used in the current study, current TSA multipliers are calculated from the WTTC / Accenture 2007 Report on South Africa. From this base, the economic impact of tourism in the Chris Hani District Municipality has been calculated over the forecast period 2008 to 2016, and is shown in Figure 1, Figure 2, Figure 3, Figure 4, and Figure 5. The potential growth of these economic contributions is also calculated, in four scenarios: Expected natural growth in demand – this growth is driven by the anticipated growth in tourism demand in the Eastern Cape (i.e. the baseline); Impact of additional 1% growth in demand; Impact of additional 3% growth in demand; Impact of additional 5% growth in demand.

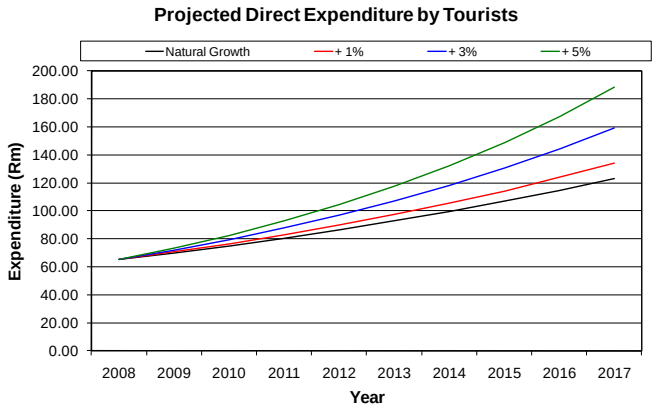


Figure 1: Economic impact of tourism: the projected direct expenditure by tourists in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2017.

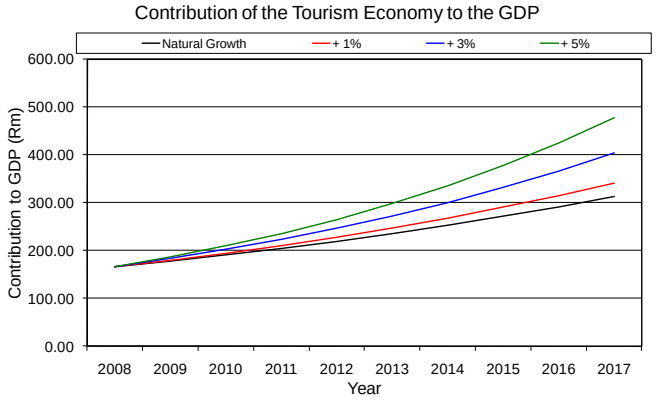


Figure 2: Economic impact of tourism: the projected contribution by the tourism economy to the GDP in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016.

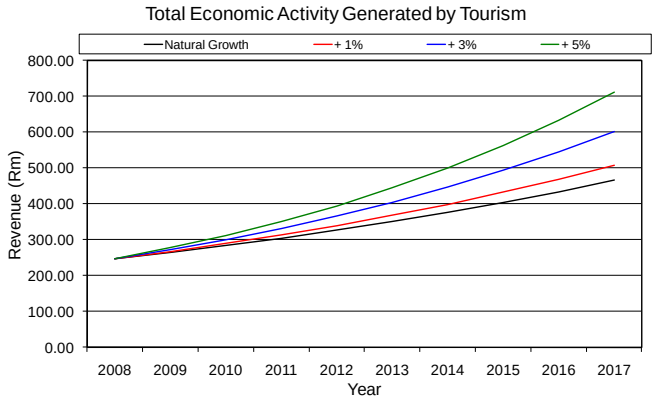


Figure 3: Economic impact of tourism: the projected total economic activity generated by tourism in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016.

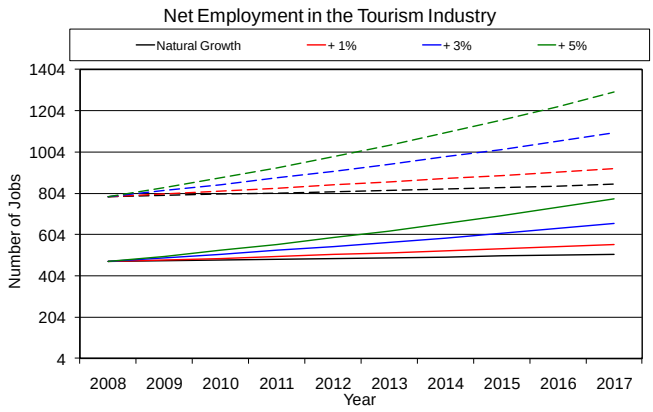


Figure 4: Economic impact of tourism: the projected net contribution of the tourism industry to employment in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016. (Solid lines - WTTC / Accenture TSA average cost of creating a job; Dashed lines - cost which is 30% lower).

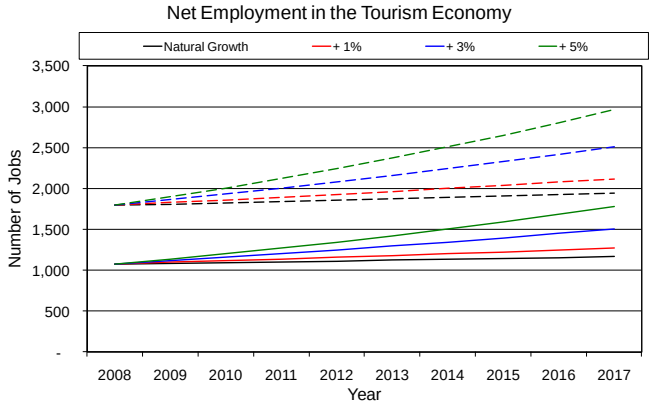


Figure 5: Economic impact of tourism: the projected total contribution of the tourism economy to employment in the Chris Hani District Municipality in 4 growth scenarios over the period 2008 to 2016. (Solid lines - WTTC / Accenture TSA average cost of creating a job; Dashed lines - cost which is 30% lower).

From the model it is calculated that tourism currently contributes as follows to the local economy of Chris Hani:

- R65.3m in direct tourism spend;
- R166.1m contribution to the GDP by the tourism economy;
- R247.2m total economic activity generated by tourism (i.e. total demand);
- supports 473 jobs in the tourism industry;
- supports a total of 1,078 jobs in the tourism economy (including the tourism industry);
- supports the equivalent of 72 SMMEs in the tourism economy, outside the tourism industry.

Progress Made so Far in Tourism Development

The District is currently focusing its tourism activities on branding and marketing the various activities available. In addition cultural and heritage sites are being marketed through the implementation of a Chris Hani Liberation Heritage route. The Chris Hani Liberation Heritage Route Icon Site Guide has been developed, launched and distributed nation-wide including the development of marketing materials for each of the individual routes; Sisulu, Ndondo and Calata. A tourism centre has been developed in Queenstown and is operational. The District has developed Tourism Integrated Plan during 2010-2011 financial year and ensured the revival of local tourism structures such as the Intsika Yethu Local Tourism Organization, Middleburg Karoo Tourism, Cradock Karoo Tourism, Lukhanji Tourism and the District Tourism organisation.

The Liberation Heritage Route (LHR) was started by the National Heritage Council, the Eastern Cape Department of Arts and Culture, and the Nelson Mandela National Museum in the beginning of 2006. The LHR is about the reconstruction of the history of the liberation struggle and the exploration of this history starting from the Eastern Cape. The key objectives of the Liberation Heritage Route include the reinforcement of a national integrative identity whilst accepting cultural uniqueness and diversity, and to translate the wealth of heritage knowledge and resources into economic capital. It is about the narrative of events as part of the preservation of national memory for continuity and national identity. The Liberation Heritage Route will interpret the past to serve the needs of the present and the future.

Chris Hani district municipality has embarked on a tourism development initiative of promoting tourism through the identification of heritage sites such as the liberation routes,

places of importance, tombs, caves, and places with special, aesthetic, historic, scientific and environmental values.

Achievements of CHDM LHR Heritage Route to Date

- 56 Icons identified and described in Icon Site Guide
- In addition to the Icon Site Guide, a Site Inventory of all Heritage Sites, including non-Liberation Heritage Sites has been developed and is currently in circulation
- Mapping of Icon Sites has been done
- Three Routes defined and described: Sisulu, Calata and Ndondo
- Institutional Framework put in Place (Reference Group at District Level; 8 Steering Committees at Local Municipality level.)
- Heritage Awareness enhanced at grass-roots level through processes of Icon identification, prioritisation and documentation.
- Community Facilitators have been trained, and are thoroughly familiar with the Heritage processes generally and the Heritage resources of the LMs more specifically
- Promotional DVD Has been developed and distributed
- 56 Information sign boards for Icon Sites been developed and erected
- Directional Signage for 40 Icon sites have been erected
- Directional Signboards – 9 National Sites; 13 Provincial Sites
- Training of Tour Guides and Tourism Personnel
- Promotional Material for Tour Guides (One-Day Packages)
- Construction of a giant Statue of Chris Hani at Sabalele Village which is his birth place

Chris Hani Month Celebrations

The CHDM Council resolved to declare the month of April as "**Chris Hani Month**" and be celebrated annually. In order to commemorate this month a number of events are held at various municipalities that constitute the greater CHDM. The events range from launching of projects at local municipalities, sport activities, delivering of Chris Hani Memorial lectures with various themes promoting Local Economic Development through Tourism. The events are structured in such a way that they are inline with government priorities.

OBJECTIVES

- To honour and commemorate the life and death of Chris Hani
- To preserve and conserve Social Memory
- To increase Tourism products(Event s Tourism)cultural industries within the District
- To promote the Local Economic Development of the area
- To educate and create awareness on youth about significance of the Liberation Struggle and the Liberation Icons
- To profile and Market CHDM as a liberation heritage tourist destination
- To promote and market CHDM LHR
- To promote social cohesion, fight against crime and drug abuse within communities

Achievements of Chris Hani Month to Date

- Construction of fully equipped Library at Zigudu High and purchasing of sport equipment for the school

- Purchasing of fully equipped Mobile office at Gqoboza Jss, purchasing of sport equipment for the same school
- Donation of study material to schools(Bathandwa Ndondo High School, Gqoboza and Zigudu Combined School
- Profiled and Marketed CHDM as a liberation heritage tourist destination
- Education and awareness(4 Memorial Lectures have been conducted) on the significance of Liberation Struggle and Icons
- Unveiling of tombstones for the graves of parents of Comrade Chris Hani
- Guided tours of the Liberation sites and other sites of interests have been done
- Entertainment of locals
- Emergence of the Chris Hani Jazz Festival
- Local Economic Development of the area
- Construction of Sabalele Multi Purpose Centre at Chris Hani Birth place which encompasses Museum, Early Childhood Centres, Library, Community Hall and some offices which are used by stakeholders like SASSA etc.

Heritage Sites

One hundred and two sites were identified in the Chris Hani District Municipal area, categorized according to their nature, namely whether they are human generated structures or natural artifacts. Out of these, the Chris Hani Liberation heritage route has identified iconic sites and a booklet has been printed containing these sites.

Number of sites in each category.

Category	Number of sites
Human Generated Artifacts	
Historical buildings	25
Monuments and memorials	6
Museums	9
Graves	5
Rock Art	6
Living Heritage	7
Open Land	7

2.4.2 CHRIS HANI DEVELOPMENT AGENCY

The Council of Chris Hani District Municipality took a decision to establish a Regional Economic Development Agency that would act as a mechanism to fastrack major economic development programmes and to assist the District Municipality in addressing the many economic challenges it confronts. Its function would be to drive economic development within the district by playing a private partner role in sourcing funding, undertaking and owning financially viable projects for the betterment of the district.

The strategic focus of the agency will lead the following:

- Functional irrigation schemes and efficient use of irrigation scheme infrastructure
- Participation and tangible economic benefit to rural communities
- Emerging farmers producing the minimum sorghum production for bio-ethanol pilot plant
- Quality meat production as business case for local abattoirs and meat processing from the region
- Efficient use of state resources and infrastructure
- Value chain benefication from the agro-industrial value chain
- Sustainable Enterprise Development establishment and job creation

The council's decision to establish a development agency was based on an investigation of the feasibility and/or viability of establishing the CHDM Development Agency. This was done by looking at the lessons learnt from the development agencies that are doing well in the Province to those that are not performing well. The investigation was completed and lead to the recommendation to the Council for the establishment of a Development Agency as an option to assist in fast tracking economic development in the area. Strides had been undertaken by the Council as the Agency within its first years of existence managed to appoint a fulltime CEO after the has a Permanent Board for 5 years consisting of 6 members as it is on establishment phase. For the past years 2015 -2016 one of their main focuses was to manage skills development fund which is to support well perfoming students within the district on financial aid during their tertiary education mostly on scarce skills field.

Mandate of the Chris Hani Development Agency

The new mandate of the Chris Hani Development Agency is outlined as follows in the Memorandum of Agreement between the Chris Hani District Municipality and the Chris Hani Development Agency:

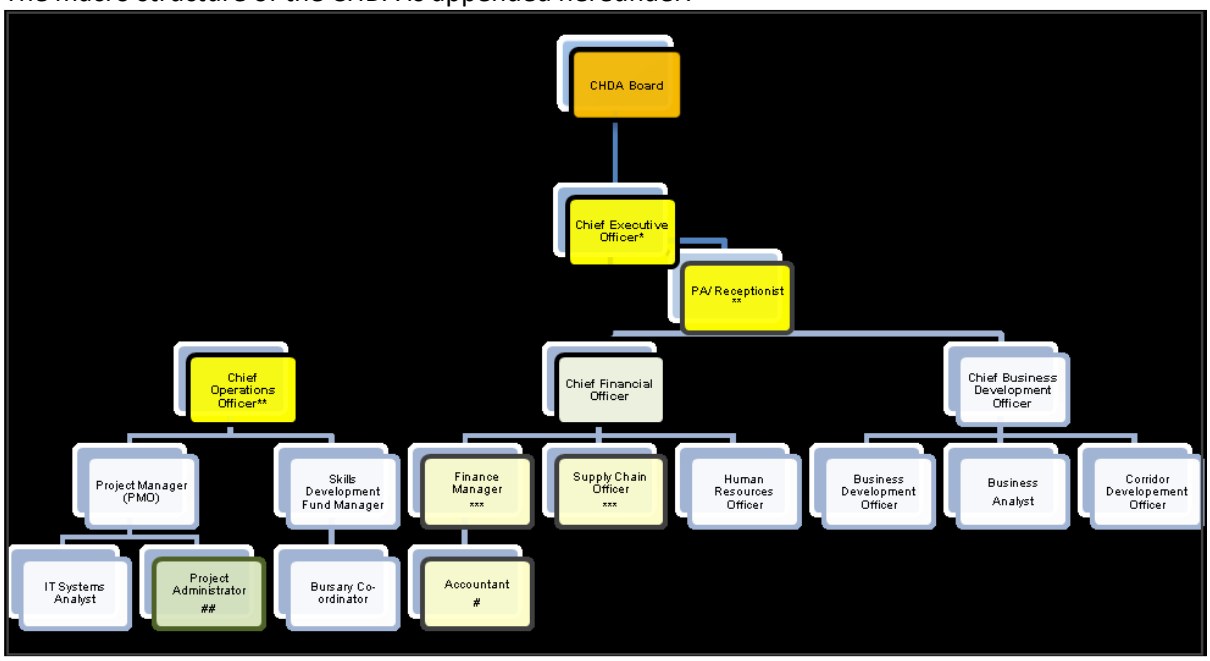
- Focus on the realization of the agro-industrial value chain linked to the SEZ model
  - Leverage investment into irrigation schemes and maximize infrastructure potential thereof
  - focus on the agro-value process
- Build research and economic modelling capacity to provide advisory support to economic project implementation.
- Focus on investment facilitation and support/ empower communities to engage with private capital to ensure balanced socio-economic beneficiation
- To be charged with the administration and management of the Community Skills Development Fund on behalf of the District Municipality;

Name of the Development Agency

The Development Agency is registered officially at CIPC as the Chris Hani Development Agency Pty (Ltd). It has about 9 members of the Board is currently runned by a fulltime CEO, CFO and a COO on senior management.

Organisational Arrangements

The macro structure of the CHDA is appended hereunder:



2.5 ENVIRONMENT & TOPOGRAPHY

Climate

The climate varies from Arid to very cold high veld and falls mainly into 2 climatic zones according to the "Agricultural Development Programme for the Eastern Cape' – 1986, namely:- Arid and Semi-Arid Moderate Midlands, and Arid and Semi-Arid Cold high lying land.

Rainfall

The rainfall varies dramatically over the area depending mostly on altitude and distance from the coast. In the western arid areas, the average annual precipitation is between 200mm and 300mm whereas in the astern high lying areas of Cofimvaba it is 700-800 mm. The greater part of the area is, however, arid to semi-arid and receives less than 400mm per annum.



Rainfall distribution is poor and dry spells are a frequent occurrence. In his study, J.H van Wyk comes to the conclusion that the rainfall of the former Transkei shows little variation and can therefore be classified as reliable.

He points out, however, that the variation of rainfall during the early summer months makes early planting of agronomic crops risky. (*Wood & van Schoor, 1976).*

It is a summer rainfall area with 70% - 80% of the precipitation occurring during the summer months in the form of thunderstorms. These storms are often of high intensity and are sometimes accompanied by hail. Only 20 - 30% of the rainfall occurs during the winter month, which usually results in snowfalls on the Chris Hani District Municipality plateau and the high lying mountainous areas of the Compassberg and Winterberg.The further west, the poorer the rainfall distribution, with severe droughts occurring fairly frequently. The rainfall in the eastern area (Cofimvaba and Ngcobo) is more evenly spread, except for the early summer months when "dry" spells can be expected, which makes the early planting of agronomic crops risky (*Wood & van Schoor, 1976).*

Evaporation

Evaporation in the District is much higher than the average annual rainfall. The area thus experiences a negative water balance. The evaporation in the arid western area is 2 146 mm per annum, whereas it is approximately 1 700 mm per annum in the Lady Frere and Cofimvaba Districts. This phenomenon complicates crop production as it requires moisture conservation for dry land cropping and sophisticated irrigation management.

Temperatures

The temperature is characterised by extremes during the summer months, the maximum temperature often exceeds 40ºC in the lower lying areas in the western (arid) section of the study area. Minimum temperatures in the winter months in the high lying areas are often well below zero and frost and snow is a common occurrence throughout the area.The average commencing date for frost in most of the area is the Mid April and the average last date for frost is the Mid October. Frost can, however, occur at any time of the year in the Molteno District. This area experiences the largest inter-diurnal variation (change from one day to the next) in temperature. (*A.J. Roets & Associates, 1999).*
The temperature in the eastern part of the District is a bit more moderate with frost occurring from Mid May to Mid September.

Prevailing winds

During the summer months, the prevalent wind direction in the study area is north-westerly (berg winds) whereas south-easterly to south-westerly winds prevail during the winter months. Wind, however, is not regarded as a limiting factor in the study area.

Geology & Soils

The District consists mainly of Beaufort sediments intruded by Dolerite. These comprise Shale, Mudstone and Sandstone.The soils in the District area are mainly from the Beaufort and Molteno series of the Karoo sequence. As a result, the soils are poorly developed, shallow or duplex (rocky), which are mostly not suitable for crop production. In the valleys, however,

deeper soils do occur. In the Fish River Valley as an example, there are 15 soil forms of which the Hutton, Clovelly and Oakleaf forms (Binomial Classification) are dominant.

Soil salinity is, however, a major problem in the irrigation areas in the Cradock, Hofmeyr and Tarkastad Districts.
The soils of the more arid areas of the study area are generally shallow and consist mainly of the Mispah, Glenrosa and Swartland forms. In the flood plains, watercourses and plains, deeper soils of the Oakleaf, Dundee and Valsrivier form are more common.

Topography, drainage and vegetation

The District is part of what is described as gradual "step" topography. The "steps" are formed by the Winterberg mountain range in the south and the Stormberg range north of Sterkstroom.

The Stormberg Mountain range runs from east to west dividing the area into the high lying Stormberg plateau in the north and the generally lower altitude area in the south.
The Winterberg range with an altitude of 2 370 m above sea level extends into the southernmost section of the area. The altitude of the Compassberg to the west of the Stormberg range is 2 502 m, whereas the Stormberg plateau is ± 1 800 m above sea level. The altitude of the lower lying area in the Cofimvaba District is ±600 m above sea level. The greater part of the area, however, lies between 500 m and 1000 m above sea level.

The main drainage systems are the tributaries of the Great Fish, Great Kei Rivers and Mbashe river systems, which drain into the Indian Ocean. The western section of Chris Hani District Municipality consists mostly of mixed Nama Karoo veld whilst the eastern section consists mostly of moist upland grassland. What is important from a conservation aspect is the valley thicket occurring along the Kei and Mbashe River systems and the pockets of afromantane forest occurring north of Ngcobo.

Conservation Areas within CHDM

The known conservation areas in the Chris Hani District Municipality are listed in the table below. Only two of these conservation areas are under the direct control of the municipality, namely Lawrence de Lange and Longhill (Lukhanji). In addition, a National Park (Mountain Zebra National Park), a number of private nature reserves (i.e. Blanco) and three natural heritage areas (i.e. Benghoil & Bushy Park, Carnarvon and Mhoge) are located, at least in part, within the Municipality.

The formal protected area network is relatively extensive with the Mountain Zebra National Park (SANP) and the Commando Drift and Tsolwana provincial reserves. The early selection of protected reserves in the CHDM was based on ad hoc decisions to protect specific mammals rather than objective criteria based on biodiversity mapping. Control of all indigenous forests in the Eastern Cape including the CHDM, was handed over to the Directorate of Nature Conservation of the Eastern Cape Province authorities in 1996, and management plans for all forests are still in preparation.

Formally protected water sources include a number of large water catchments, including the dams: Grassridge, Lake Arthur, Commando Drift, Xonxa, Lubisi and Ncora.

Water Resources

The CHDM falls within four river systems:

- The Great Fish River draining the central / western area southwards;
- The Kei River draining the central / eastern area southwards;
- The Mbashe River draining the eastern area southwards;
- The Orange River draining to the North.

Of these the Fish and Kei Rivers are the most significant rivers in terms of the catchment areas in the CHDM. The total surface water available in the district has been estimated from the Eastern Cape Water Resources Assessment as follows:

- Potential maximum yield (including dams and transfers) = 1013.5 Mm 3 / annum
- Probable total consumption and losses = 775.8 Mm 3 / annum
- Available surface water resource = 237.7 Mm 3 / annum

It is clear that across the whole district, there is a positive surface water balance and that approximately 23,4% of the potential yield is still available for use, providing drought conditions do not exist.. It is however worth noting that the resource is concentrated at the major dams and rivers and as would be expected is not readily or cheaply accessible to all potential users located a distance from these resources.

DAMS, WETLANDS AND SPRINGS

Chris Hani is characterized by a number of major dams, which serve the towns and the various irrigation schemes.

The major dams in Chris Hani are:

- The ***Grassridge Dam*** between Cradock and Middelburg used as a balancing dam
- The ***Lake Arthur and Commandodrift Dams*** near Cradock used for irrigation
- The ***Xonxa, Lubisi and Ncora Dams*** between Lady Frere and Ngcobo used for irrigation.
- Xonxa Dam is currently used to support Lukhanji, Emalahleni with water as it has been founded that it has a potential to do that, so water is sourced from there to Queenstown as Lukhanji area has been discovered to be challenged.

Most of the wetlands occur in the Inxuba Yethemba municipality followed by the Emalahleni and former Tsolwana areas (4 each). The Engcobo, former Inkwanca and former Lukhanji municipalities only have one listed wetland. Wetlands occur in the catchments above the Commando Drift, Elands drift, Grassridge, Lake Arthur and Xonxa Dams.

A number of wetlands are located upstream of the dam immediately west of Dordrecht and above what appears to be the Thrift Dam on the Black Kei, although not marked as such on the topographical map (3226BC).

All the riparian wetlands are located within Eastern Mixed Nama Karoo vegetation, with the exception of three found within Moist Upland Grassland (Lemoenfontein, Qumanco and Snowdale-Success) and four within South-eastern Mountain Grassland (Clarke's Siding, Dordrecht Town, Driefontein 188 and Geluksvlei).

Springs are an important source of water in the district. They are also used for recreational purposes such as at the Cradock Spa. A number of endorhic pan wetlands occur in the district, two each in the Enoch Mgijima (Coldstream pan, Die Pan wetland complex) and Inxuba Yethemba (Helderwater pan, Rooikop) municipalities and one in the Enoch Mgijima municipality (Rotterdam wetland complex). The Helderwater pan, Rooikop wetland and Rotterdam wetland complex are located within Eastern Mixed Nama Karoo, whereas the Coldstream pan and Die Pan wetland complex are found within South-eastern Mountain Grassland.

Artificial Wetlands in the form of dams, excavations, solar salt extraction works and wastewater treatment works occur to varying extents throughout the district. Solar salt extraction works have the most restricted distribution, being limited to an area west of Hofmeyr. They are all therefore located within the Enoch Mgijima, former Tsolwana municipality area. All these salt works are located within Eastern Mixed Nama Karoo. Although they have been classified here as artificial wetlands they are largely based on existing features, namely Landpan, Middelpan and Soutpan.

Environmental Challenges

Government and the District Municipality have long neglected environmental protection. This has led to many environmental disasters in the past, which could have been avoided if environmental policies had been in place and enforced.

Lack of clean and unpolluted water is a major environmental problem in Enoch Mgiima former Tsolwana in particular Thornhill area. Limited access to clean water affects mainly Emalahleni, Intsika Yethu, Sakhisizwe, Engcobo and former Lukhanji. Former Inkwanca and Inxuba Yethemba suffer from lack of a guaranteed water supply, which should be rectified in the near future. Limited access to water impacts upon the ability of people to practice good personal and food hygiene. The old and people with disabilities are particularly affected as they have difficulty in gaining access to water. The growing of crops is limited as there is no water to spare for the crops, which creates many nutritional problems. Stock farming may also be limited due to insufficient water being available that has a notable impact upon people's livelihoods.

Limited and poor sanitation creates numerous environmental problems, such as water pollution due to the waste being washed into the rivers by rain. Such water pollution is often directly attributable to a variety of diseases which children playing in these contaminated areas pick up. The smell from improper sanitation also affects quality of life for residents.The greatest challenge facing government and local government in particular is how to minimise harmful environmental practises that contribute to global warming and ultimately climate

change. A summit was recently held on this topic in the District to promote awareness of the problems created by global warning.

Chris Hani District Municipality has produced an Environmental Management Plan (EMP) which was adopted by Council in 2013-2014 and has to be aligned to the current council in order to point out areas of concern, the plan is reviewed for compliane and alignment annually so as to address current situation. The plan highlights areas of the environment which should be conserved and protected.

Animal and vegetation species and cover are mapped and identified. In addition present and future environmental problems are identified per local municipality as well as all renewable resources. It highlights that:

- The DM appoint dedicated environmental staff which has since been done
- The DM develop an integrated environmental management system
- The DM implement pollution control measures such as air pollution monitoring stations
- The DM assist to develop the capacity of its LM's to deal with environmental issues
- The DM undertake environmental impact assessments (EIA's) for all of its current and future project which is done currently by the municipality on all its projects that require EIA

However the District Municipality has been struggling to finance the implementation of this plan especially regarding pollution control mechanisms.

2.4.3 SERVICE DELIVERY & INFRASTRUCTURE DEVELOPMENT

2.1 Water Services & Sanitation

The Chris Hani District Municipality is a Water Services Authority in all local Municipalities within the district in terms of powers and functions as developed by Municipal Structures Act, 117 of 1998. It therefore tasked with addressing a water services backlog. Water supply in larger towns is treated and subject to operational and compliance monitoring while there are small and remote rural communities whose supplies are seldom monitored.

The DM is a legislated WSA for its entire area of jurisdiction hence it has completed an assessment of alternative water service provision mechanism, as required by Section 78 of Municipal Systems Act. CHDM shares its borders with Ukhahlamba, O.R.Tambo, Amathole and Cacadu of which some villages that are under jurisdiction of of CHDM gets some water from those District Municipalities. An example of villages using water resources from other distrcicts are villages at Tsomo as some are under Amathole and others under Chris Hani and importance of inter municipal planning has worked as the area is serviced by Chris Hani although its under Amathole DM And vice versa.

All its 8 local municipalities were Water Service Providers but CHDM Council has resolved to take back the function of Water Provision due to various challenged experienced and this has infact been agreed upon and a Council resolution is in place in that regard. Prior this Council

decision strong and healthy relationships with the LMs had resulted in the appointment of critical and technical staff that were deployed to different LMs.

These people have assisted in strengthening LM's water service provider staff and also ensured that staff inherited from Department of Water Affairs is managed at the LM level. This has also resulted in the improvement of the operational budget expenditure and vehicles and trucks amounting to R27 million were purchased. As a result an improved customer care relation and limited downtime has been observed. By due to the taking back of the function these staff deployed will be further absorbed through a clear HR system and be amalgamated to the staff of the district. This is infact aprocess and will be managed by all parties involved.

2.2 Water Services Development Plan

With the publication of the *Water Services Act* (Act 108 of 1997), all South African water services authorities were required to prepare a Water Services Development Plan (WSDP). The WSDP is a business plan setting out the way in which a specific Water Services Authority delivers water services to individuals and businesses in its area of jurisdiction. It also describes the current and future consumer profile, the types of services that are provided, the infrastructure requirements, a water balance, organisational and financial arrangements to be used, an assessment of the viability of the approach, and an overview of environmental issues. Following these analyses, important issues that may impact on the provision of effective and sustainable water and sanitation services need to be identified and strategies must be formulated to improve service provision.

As a WSA the Water Services Development Plan has to be reviewed annually, The 2015/2016 Final WSDP development was developed submitted to Council. For the 2017-2022 IDP WSDP for 2017-2022 is to be adopted by May 2017 financial year with final IDP 2017-2022. WSDP in general addresses the following matters

- Service Level Objectives
- Water Resources
- Water Conservation and Demand Management
- Bulk Infrastructure
- Institutional Arrangements
- Organisational Support,
- Financial Management & Tariff Policy

As tabulated on Situational Analysi above it shows the percentage of water infrastructure backlog within the district as information and research conducted by Global Insight Rex 2016. It depicts that Engcobo has more backlog followed by Intsika Yethu Municipality with Enoch Mgijima being the least with water backlog.The overall figure of the backlog has not changed significantly year-on-year , what has changed it the distribution of the backlog between municipalities due to the demarcation boundary changes.

This means that most of the CHDM water infrastructure backlog has shifted to Engcobo Local Municipality area. This means that there is a newly developed WSDP has to reflect these changes and to speak to how best to address the backlog going forward.The above intepretstion has been sourced from STATS SA Survey 2016 whiuch shows the water backlog figures per municipality sourced from STATS SA Survey 2016. The Water Services Development Plan (WSDP) which was adopted currently utilises Stats SA figures from the 2016 Community Survey estimate that currently 76% of the total population of Chris Hani District Municipality (CHDM) is served with water services, whilst 55% are served with sanitation services.

According to the WSDP of 2014-2015 which has relied on household figures of the 2016 Statssa figures delivers the following figures contained in the table below.

Source: Chris Hani Water Services Development Plan 2013

WATER				
	Households		**Percentage**	
	Served	**Unserved**	**Served**	**Unserved**
Emalahleni	13,746	20,569	40%	60%
Enoch Mgijima (Inkwanca)	3,912	-	100%	0%
Intsika Yethu	24,516	26,245	48%	52%
Inxuba Yethemba	13,256	-	100%	0%
Enoch Mgijima (Lukhanji0	42,434	14,555	74%	26%
Ngcobo	10,353	26,889	28%	72%
Sakhisizwe	7,564	7,081	52%	48%
Enoch Mgijima (Tsolwana)	3,357	4,219	44%	56%
ECDMA13	24	-	100%	0%
TOTAL (2015)	**119,162**	**99,558**	**54%**	**46%**

The major challenge is meeting the backlog targets as set out by the national government due to the insufficient capital funds (i.e. MIG allocations).The collapsing infrastructure in towns is not included in the backlog.

Looking at the Sanitation Backlog as informed by official STATS SA Community Survey 2016 the below Pie Chart shows Intsika Yethu and Engcobo as municipalities within the district with more/high backlog and the least being Enoch Mgijima Municipality.

The CHDM has identified and quantified all villages with water and sanitation backlogs within their area of jurisdiction and put them into clusters. The District Municipality could not meet the targets it set of eradicating buckets due to financial and capacity constraints and as a result has committed itself in ensuring that it provides free basic services to its communities. Due to the allocated powers and functions the provision of basic level of services is limited to water and sanitation.Backlogs have made it difficult to provide these services in areas which do not have infrastructure especially in the former Ciskei and Transkei areas. The funding with respect to MIG falls short in eradicating the backlog. The WSDP presents a number of possible developmental scenarios. Given the available and potential resources and capacity, the most viable scenario envisages increasing resources so that the backlogs are addressed by 2014 but due to latest info it is envisaged that the backlog would be addresses by 2025 due to its huge volume.

Chris Hani DM has also developed a Water Services Backlog Eradication Strategy, whereby all areas with backlogs have been identified and quantified up to the village level. The affected villages have been grouped into nine clusters (i.e regional schemes.

It is noted that there is a need to find alternate sources of funding if we are to increase our rate of delivery. More investment is required in utilising surface water resources. In addition the monitoring of the usage of groundwater requires improvement. A worrying challenge is the minimal pollution contingency measures in place in the district. In addition far more attention has to be paid towards ensuring and implementing water conservation and demand management.

Some of the greatest challenges in eradicating the backlogs are:

- MIG Allocated funds do not roll over to the next financial year
- MIG Funds not spent are forfeited
- MIG Funds are strictly to be spent only on approved projects that meet the MIG conditions
- MIG Projects must also be recommended by the respective sector departments
- Contravention of MIG conditions are regarded as unauthorized expenditure and are not reimbursable by MIG unless approved by MIG
- Serious drought conditions
- Limited staff with technical expertise wanting to work in the rural areas of Chris Hani District Municipality

Blue Drop Drinking Water and Green Drop Wastewater Quality Assessment and Compliance

Regular water quality testing at each of the water treatment works in the District is completed by operators as part of their daily routine. The results are recorded at each plant and are forwarded to the District for processing, interpretation and remedial action taken (if required). Monitoring of water quality at the point of consumption is undertaken by Environmental Health Practioners (EHPs) employed by each municipality in the District.

These EMPs sample water at a number of sampling points thoughout each municipality and measure a number of water quality parameters.

- EColi
- pH
- Turbidity
- Total Dissolved Solids (TDS)
- Conductivity
- Free Chlorine
- Nitrates
- Sulphate
- Flouride

In the event that a sample fails to comply with the required standards, it is retested before remedial action is taken. For the eColi test, water is taken from an unsterilized tap and after it has been burned to sterilise the tap. This will give an indication if any pollution enters the water at the tap or prior to the tap.

Comments by Green Drop Inspectors:

"The Green Drop assessment revealed that wastewater management within this municipality ranges from acceptable to entirely unacceptable.

Management of the Queenstown wastewater system proved to be promising; within this system relatively good scores were achieved across the board accept for incident management, treatment capacity and asset management. A far less convincing performance was recorded at each of the remaining systems. This poor performance necessitates the Department to require the Water Services Authority to provide an explanation together with a turn-around plan within 30 days subsequent to the release of this report. (This to inform the appropriate intervention)

Special attention is required at Tsomo, Indwe, Cradock, Lady Frere, Middelburg and Comfimvaba since all of these systems reached the undesirable maximum risk rating.

This means that it is squarely within the critical risk category; the situation will not turn around without a concerted planning and implementation effort from municipal decision makers and management.

Green Drop Findings:

A lack of operational information indicates ineffective management of the wastewater systems in general; this severely compromised the Green Drop performance of Chris Hani District Municipality and Water Service Providers (Local Municipalities):

Officials indicated a budget for operations and maintenance but could not produce any evidence of expenditure. This prevented the assessors of having complete confidence in the efficacy levels of asset management.

The general lack of information bar one of the systems Chris Hani is responsible for, it is recommended that the compilation of asset registers and investment in operational monitoring will be prioritised, together with process optimisation in a serious endeavoured required for effluent quality compliance with authorization limits"

Conclusion:

"The Regulator is not satisfied with the overall performance of wastewater services management in Chris Hani DM. The WSA has to submit a Corrective Action Plan to DWA within 30 days of release of the Green Drop Report."

Comments by Blue Drop Inspectors:

"Chris Hani DM is another Eastern Cape Water Services Authority that impresses with its drive to improve drinking water quality management. An overall score improvement from 53.1% to 73.5% speaks volumes of the officials' commitment in this regard. This is sincerely a commendable performance under challenging circumstances.

Nevertheless there would remain areas with dreadful microbiological compliances i.e. in systems such as Cala and Eliott. Compliance percentages in these two systems are well below 50% and it can be expected that these communities are at risk. The municipality is required to inform the Department's regional office within 30 days as from the release of this report on an action plan for urgent improvement of treatment efficiency levels in these areas.

The Blue Drop inspectors noted: "The Water Services Providers responded very well to the deficiencies identified during the Blue Drop Assessment and come well prepared for the Confirmation Interviews. The WSPs were strongly supported by the ChrisHaniDistrictMunicipality. The District Director personally led the interviews and made sure that each of his WSPs was represented in large numbers. This illustrates the commitment of the District towards the Blue Drop Certification Programme."

Findings:

The worst performing systems would be the Rural Systems within the jurisdiction of Intsika Yethu Local Municipality.

Interventions required to address identified 'Blue Drop' compliance gaps

It is clear from the Blue Drop Assessment that, while the Municipality has made great progress in improving its water quality monitoring system; specific areas that require additional interventions include:

- Drinking Water Quality testing and compliance in rural areas (especially Intsika Yethu)
- Water Safety Plans in some areas (i.e. rural areas)
- Implementation of the comprehensive testing programme that will fully comply with SANS 241
- Build Capacity and reduce reliance on service providers for support and testing

Roads and Stormwater

The road network in the Chris Hani District consists of a hierarchy of national, provincial and municipal roads. Two national routes pass through the Chris Hani District in a north-south direction i.e. the N10 and N6. The local Trunk and Main roads link the larger towns and villages and mostly run in an east-west direction. The best example is the R61, which runs from Cradock in the west through Queenstown to Mthatha in the east. The total length of the provincial road network amounts to approximately 43 465km. This is made up of approximately 5 102 km (12%) of surfaced roads and 38 363km (88%) of gravel roads. Only 707 km of the total network of nearly 8 900 km in Chris Hani is surfaced.

The overall condition of the road network in the Province and in the Chris Hani District has not improved, mainly due to insufficient funds for maintenance and inherited backlogs. Gravel roads require regular maintenance especially with heavy rains and high traffic volumes as can be seen in the photograph above. From an economic point of view, gravel roads suppress economic development since they lead to high vehicle operating costs and often lead to the damage of crops transported.

The District is responsible for maintaining identified roads in the Inxuba Yethemba area on an agency basis if the Department of Roads and Transport. As the custodian of the secondary roads in the North Westen side of the district. It has met this responsibility in a stalwart manner with the Department of Roads & Public Works and is firmly recognized in the Office of the Premier as one of the trendsetters in Road Construction and Maintenance.

The District Municipality (DM) in particular the Roads Section team managed to successfully secure again a new 3 year Service Level Agreement (Road Maintenance Contract) with the Department of Roads & Public Works starting from the beginning of April 2013. The Contract is limited to Provincial Proclaimed Roads within the Inxuba Yethemba Area. The project started with a budget of 67.5 Million by 2009 and currently believed to increase. An allocation of R22,5 Million was committed for the 2011/12 financial year, continuing with R25 Million for the 2012/13, 2013/14 and 2015/16 fiscal years respectively.

The Roads Staff has been commended by DRPW, the Agricultural Union and the Roads Forum for their professional implementation of the programme as their roads are of a high quality and are maintained on par with the private sector. The program is aimed at all road users particularly the local communities, tourists/visitors, Agriculture and National and provincial

funded projects to cater for an Ethanol factory in Cradock. Municipalities that are not part of the Service Level Agreement are serviced by the Department of Roads & Public Works.

OPERATION & MAINTENANCE WITHIN CHDM

The O&M unit is tasked with maintaining the infrastructure within the dsitrict of which some of the functions of the unit includes:

-Routine Operation and Maintenance Procedures
-Start and Daily Operations
-Emergency flags
-Equipment Inventory
-Spare parts Inventory
-Equipment repair and Supply information
-Emergency Response and Action Plans
-Water Quality Monitoring
-Water Quality and Regulations Violation response Procedures
-Employee Training
-Monthly Inspection Reports and Observation Report
-System Description which includes
(a) Source
(b) Treatment
(c) Distribution
(d) Storage

The technical guidelines assisting in the development of Operation and Maintenance Plans (O & M) for Water and Sanitation are developed so that they are in conjunction with conservation and demand management as they are in the course of development. The O & M Plan has been developed to satisfy the Licensing of Water Supply and Waste water Treatment system operator Regulations including the development of reporting all daily procedures of maintenance done on each and every Municipal asset and also a description of water supply source, treatment, storage and distribution. This plan is intended to ensure that the system operates in a manner that satisfies all laws, rules and regulations and that all employees are acquainted with their individual responsibilities. The Unit has its own budget to run the programmes of maintaining its operations.

Climate Change and Drought Mitigation

After CHDM was declared as a drought affected District, the Department of Water Affairs allocated a Drought Relief Funding and the District Council adopted an action plan to address the crisis in 2010/11. Subsequent to that the Municipality has developed a Climate Change Adaptation Strategy which was adopted by Council by 2012-2013. Some of actions taken by council include the following decisions:

- That to allocate the funds per Local Municipality.

- Funds have been utilised to test, drill and equip boreholes and also to protect the springs.

- Ground water protocol has to be conducted in all 8 local municipalities.

- WSPs were required to use the existing CHDM tender for ground water protocol to fast-track the drought action plan implementation process.
- CHDM to purchase 12 water carts for water supply which where needed
- Springs are to be protected as alternative water supply.
- The Drought Relief Programme is to continue throughout.

The drought situation was further elevated on the 2010 Water and Rural Development Summit. By the month of March 2012 the institution conducted a Climate Change Summit so as to discuss climate change issues.

Libraries

There is a significant lack of libraries within the District, resulting in school children and other learners being unable to access information they require for their studies. It is noted, however, that some progress is being made in this regard.Intsika Yethu Municipality with DSRAC has also built the library in Cofimvaba Town for the p[urposes of assisting learners with information. Secondly Through the liberation Heritage programme another library has been built at Sabalele Village with the collaboration of Chris Hani District Municipality and DSRAC, the library is packed with books to assit the learnesrs around the area of Sabalele.

Sports & Recreation Facilities



The District offers a wide display of sports from the more adventurous such as white water rafting, horse endurance trails to the more sedate such as bowls. Indigenous sporting activities such as horse races and stick fighting are promoted and competitions held throughout the rural areas.

Many sport clubs and codes have a proud tradition and have been going for many years. However, there is a significant lack of sports and recreational facilities within the District, especially in the former homeland areas. This may be directly attributed to the policies of the former government, which did not take into cognisance the health and welfare of people living in the then homelands. As a result many schools do not have their own playgrounds or sporting facilities.

Community Halls

Community halls provide multiple opportunities, including a place for people to gather for meetings, a place from which information may be disseminated, and a place from which services (such as pension payouts) may be provided. The lack of community halls means that local communities have no place to gather, partake in recreational and educational activities, and receive pensions or pertinent community information. As informed by powers and

functions allocated to municipalities the distric municipality is not allocated those powers to provide and build community halls as the function resides with LM's, but flowing from the discussions between DM and LM's it has been advised that community halls be built at each ward within the LM's and be used by ward councillors as their offices because they are closer to the people and therefore reachable. The building of these community halls is a function of Local Municipality as the district is focusing on mostly water and sanitation.

STATUS CORE OF THE HOUSING IN THE DISTRICT

One of the key responsibilities of the Housing Unit in the district is to providing support and guidance to local municipalities that are faced with capacity challenges and financial constraints in housing delivery; to co-ordinate infrastructure projects that are directly affecting housing (sanitation and water) etc, to eliminate duplications; to assist in the monitoring of housing project etc.

In trying to address those local challenges that are facing the District in terms of housing development, CHDM ensures that housing forums are coordinated every quarter and it is chaired by the portfolio council responsible for housing in the district.

The forum is comprised of portfolio heads and officials that deals with housing; infrastructure and town planning in the district and all its 8 local Municipalities; the Department of Human Settlement in the Province and the Region; Sector departments are also invited to form part of the forum.

Chris Hani District Municipality was granted a Developer Status for the construction of permanent emergency houses in the entire district by the Department of Human Settlement. There is currently a backlog of 1300 disaster houses to be developed in the district, of that 427 have been approved thus far as follows:-

- Intsika Yethu LM = 67
- Enoch Mgijima LM = 143
- Emalahleni LM = 49
- Sakhisizwe LM = 65
- Engcobo LM = 73
- Inxuba Yethemba LM = 30

SUPPORT ON HOUSING DEVELOPMENT PLAN:

Capacitating of LMs

To provide capacity and support to LMs and other stakeholders with regard to housing delivery in line with Housing Act. Guide LMs on how to develop their Housing Sector Plans, assist in the monitoring of housing projects, give support on planning and implementation of subsidy projects towards integrated settlements, Coordinating the formulation and review of housing policy and legislation. CHDM plan intends to address the following issues; ensure that housing project benefit the local economy through all the housing programmes in the district. It will

ensure that local people are the first preference in terms of employment in the housing project and that building material for the projects is purchased on the local suppliers of the district.

These housing programmes are all driven by an existing Housing Steering Forum which involves all Local municipalities in the district: -Housing Portfolio Heads; Municipal Housing Managers/officials; Department of Housing in the district and other stakeholders are invited when it's necessary.

Main functions of the HSCF

- To discuss housing challenges and housing demands as to get solutions
- To discuss progress reports submitted by the LMs on their housing projects.
- Identify ways of providing capacity to those LMs that are lacking and also discuss other related housing issues.

Telecommunication

Telkom is currently expanding its public phone infrastructure in the rural homeland areas with the result that the majority of Chris Hani residents do have access to some sort of telephones. Cellular phones cannot be used in all areas of the District due to the mountainous terrain, which disrupts television, radio and cell phone reception. The investment into telecommunications infrastructure is further hindered by vandalism and theft. Cellular and television providers should be lobbied to increase their network coverage in these areas so that consumers can experience a more satisfactory service.

There is still very limited access to fax and computer / internet facilities. GCIS has recently completed a survey whereby they wish to install a multi-purpose facility that will give community members access to all tele-communication facilities in each municipality.

The only existing facilities of this nature are currently located at the Qamata Great Place in the Intsika Yethu Local Municipal area, Thusong Centres and at Ngcobo town.

OVERVIEW OF CHDM TRANSPORT MASTER PLAN

When considered from a transport perspective, the Chris Hani District is of importance not only to the local socio-economic climate, but also to the country as a whole. There are two national roads passing through the district in a north-south direction i.e. the N10 and N6 as well as two rail lines. The two rail routes links Port Elizabeth and East London to the interior. The main east-west road corridors are along the R61 from Cradock, through Queenstown and beyond, the R359 from Queenstown through Lady Frere and Cala to Elliot and the R56 from Queenstown through Sterkstroom, Molteno and Steynsburg to Middelburg.

The CHDM Transport Master plan has been carried out to prepare the District meet the demand for safe transport services and facilities. The Master plan positions the District to offer maximum accessibility to the amenities offered in cities and towns throughout the District and the many tourist facilities in the neighborhood. The Master plan intends to provide guidance

on the infrastructure requirements to improve major roads and key facilities in towns, signage to guide visitors and public transport services and facilities.

The district is currently committed to the implementation of the Transport Master plan. Therefore the intention will be a joint effort with local Municipalities contributing to implementation in their areas.

The structure of the CHDM Transport Master plan includes the following chapters:

- Travel Demand and Situational Analysis
- Data Collection and Assessment
- Transport Operational Plan:
    - Infrastructure Plan
    - Public Transport Plan
    - Aviation Plan
    - Rail Plan
    - Local Mobility Plan
    - Information and Signage Plan
    - Safety and Security Plan
    - Transport Management Plan
- Branding and Marketing
- Contingency Plans
- Implementation and Evaluation Plan

The CHDM Transport Master plan also contains a clear set of recommendations to prepare the District to compliment the transportation services. By preparing this Master plan, the District shows its commitment and pursues the implementation of the Plan as a matter of priority.

Taxi services

There are 21 registered taxi associations operating in the 16 towns situated within the Chris Hani District. According to the Registrar there are approximately 1 600 active members in the different associations.
This figure excludes operators who are using sedans and bakkies/LDV. It is evident that there are some differences between the Registrar and Taxi Associations due to the frequency of the update of the Registrar's database.

From the records of the Registrar, there are currently 304 registered taxi routes in the Chris Hani District. Bakkie taxis comprise a significant percentage on the routes i.e. +/- 60 % and are dominant in Engcobo, Cofimvaba, Cala and Tsomo. The sedan operation is largest within the Lukhanji Municipality and particularly Queenstown.

Due to the large number of passengers using taxis in the District, as well as the flexibility of the taxi industry, taxis are the most prominent form of local public transport. The type of vehicles operating in the field varies from the typical minibus, to light delivery vehicles (LDVs) and sedan or passenger cars. There are also many more routes between settlements than there

are within settlements. This can be explained by the fact that most of the settlements in Chris Hani are small and thus there is not a great demand for motorised travel within the settlement boundaries. Most daily activities can be accomplished on foot since the distance to be travelled is relatively small in comparison to the greater distances between settlements.

Bus Services

There are currently 29 bus operators in CHDM according to the local ECDRT office but only 11 of these have operating permits and the buses only operate in four of the eight district municipalities. The buses operate on 49 routes of which nine are subsidised. Operations on the subsidised routes were suspended due to feasibility and/or un-roadworthy vehicles. Africa's Best 350 scheme has brought 18 new buses to the CHDM routes.

Long distance travel

There are marked increases in the number of long distance journeys undertaken during holiday periods such as Christmas (December-January) and Easter (April school holidays), whereas during out-of season times there may be no services on those routes, depending on the mode. Long distance routes include a number of important destinations and include both road and rail based services. There is a close relationship between local and long distance public transport services – passengers from outlying areas would be transported on a local service to reach a main settlement and from there transfer onto a long distance service.

Even though long distance travel in Chris Hani resembles a corridor and feeder system, there is little coordination between and within the schedules and frequencies of modes and equally little consolidated information available on long distance travel.

Freight Transport

In Chris Hani, the main freight movement corridors are mainly along the national routes. Cargo is transported nationally through the district from/to the coastal towns of East London and Port Elizabeth primarily to/from Gauteng. The freight is moved by either road or rail. There are no major freight generators within the Chris Hani District other than the typical economic activities in the larger urban area, such as Queenstown.

The movement of freight has become more and more road based in the past few decades. The busiest route being the N10 carries more than 100 long/large heavy vehicles per day. This amount to approximately 10 interlinks per hour along the route.

Rail freight

There are two primary railway lines passing through the Chris Hani District in a north-south direction. They are the East London – Bethulie route (passing through Queenstown, Sterkstroom and Molteno) and the Port Elizabeth – Cradock – Carlton route. There were also a number of other lines in the district but these are not in use or the lines have been lifted.

Rail Services

The Shosholoza Meyi operated by Transnet Freight Rail operates along two north-south routes through the municipality. The two routes are the following:

- Johannesburg – Bloemfontein – Cradock – Port Elizabeth

- Johannesburg – Bloemfontein – Cradock – Port Elizabeth
- Johannesburg – Bloemfontein – Molteno – Sterkstroom – Queenstown –
- Cape Town – Colesberg – Molteno - Sterkstroom – Queenstown – East London

The area is served well with rail service. These services are mostly passenger services but carry limited freight.

Air Services

There are not scheduled air services to and from any airports/airfields in the Chris Hani District. There are several airstrips near the larger towns. All the airstrips are unsurfaced, except the Queenstown airfield, which has one surfaced runway. There are a total of 10 airfields/airstrips located in Chris Hani. The airfields are mostly used for recreational and tourism activities.

Non-motorised Transport

Planning for non-motorised transport (NMT) has historically been neglected even though it is an important method of transport. The main issues witnessed during the assessment process were the unavailability of safe pedestrian facilities, such as walkways and shelters, and accommodation for people with disabilities.

Walking is a major mode of transport in the CBD areas. The surveys indicated that the highest numbers of pedestrians are found in the CBD's of Queenstown, Cofimvaba, Engcobo, Lady Frere and in Cradock and Middelburg. Pedestrians face many problems due to the limited availability of pedestrian facilities.

Scholar Transport

The importance of intervention in a scholar transport system has its roots in the fact that education levels are low throughout the District, with a literacy rate of 47.1%. It has been found that one of the reasons that contribute to the low levels of education is the lack of convenient access to schools resulting in long travel times, mostly by walking to school.
The issues that the Chris Hani District faces with respect to public transport are the following:

- Multiple small taxi operators that are tied to geographical locations are inflexible and are difficult to coordinate and integrate in a larger system
- Buying power of individual taxi operators is very low.
- Vehicle capacities are not necessarily suited to the demand
- Rail and subsidised buses operated at regional level and are not integrated into local planning
- Operator and regulatory fixation with vehicle type and layout discriminates against passenger volumes / needs and does not provide operational flexibility
- The overloading of heavy vehicles is a major contributor to the premature failure of road pavements .
- Gravel roads often become impassable in wet weather, isolating settlements that can only be reached by such means. .
- The large number of stray livestock on roads.
- Poor management and supply of transfer facilities.
- Derelict passenger rail lines and stations

- Insufficient vehicle testing and licensing facilities
- Unavailability of public transport facilities (including for the disabled)
- Lack of cooperation between Public Transport Operators and the Municipal Authorities
- Lack of Institutional capacity at Local and District level to manage transport planning and implementation.
- Insufficient supply of taxi related information, especially bakkie and sedan operations.
- Outdated information at the Taxi Registrar
- Lack of pedestrian and non-motorised transport facilities
- Lack of accident database for the Chris Hani District
- Lack of District Road Maintenance Programme
- Inadequate pedestrian signs and markings and off loading areas especially within CBD areas
- Limited traffic calming measures within areas of high accidents
- Low visibility of traffic officials and law enforcement
- Insufficient supply of taxi related infrastructure
- Public transport in the rural areas is reliant on bakkies
- By-laws limiting the operation of hawkers on side-walks are not implemented or proclaimed.

Recommendations

- Public transport should provide connectivity where private transport is unfeasible
- Each settlement condition requires a particular development and transport approach
- Strong land use management should be accompanied by integrated transport provision to achieve more compact, efficient settlements and transport services
- Tourism potential should not be ruined by uncontrolled settlement growth or insensitive transport connections

2.6.6 MUNICIPAL HEATH SERVICES

Municipal Health encompass the following services as detailed in the Constitution of the RSA, part B of schedule 4, and National Health Act, 61 of 2003:

(1) Water
Monitoring water quality and availability, including mapping of water sources. Enforcement of laws and regulations related to water quality management. Ensuring water safety and acceptability in respect of quality (microbiological, physical and chemical), and access to an adequate quantity for domestic use as well as in respect of the quality of water for recreational, industrial, food production and any other human and animal use. Ensuring that water supplies are readily accessible to communities and to the planning, design, management and health surveillance. Ensuring monitoring of and effective waste water treatment and water pollution control, including the collection treatment and safe disposal of sewage and other water borne waste and surveillance of the quality of surface water (including the sea)

and ground water. Advocacy on proper and safe water usage and waste water disposal. Water sampling and testing in the field and examination and analysis in a laboratory.

(2) Food Control

Food safety in respect of acceptable microbiological and chemical standards and quality of all food for human consumption and optimal hygiene control throughout the food supply chain from the point of origin, all primary ground, or raw products production up to the point of consumption. Food inspection at production, distribution and consumption area. Informal Street trading monitoring. Food premises inspection and control of statutory nuisances.
Enforcement of food legislation and Codex Alimentarius. Food quality monitoring programmes and principles through various techniques e.g HACCP audits. Promote the safe transportation, handling, storage and preparation of foodstuffs used in the Primary School Nutrition programme (NSNP), Prisons and Health establishments, Airports etc. Promote safe handling of meat and meat products including meat inspection and examination at abattoirs. Promote the safe handling of milk and milk products

.

3) Waste Management

Waste management and general hygiene monitoring including:
Ensuring proper refuse storage, collection, transportation and transfer, processing and materials recovery and final disposal. Liquid waste management including sewage and industrial effluents.
Ensuring the proper storage, treatment collection, transportation, handling and disposal of health care waste and hazardous waste. Sampling and analysis of any waste or product (sewage) refuse or other wastes. Investigations and inspections of any activity relating to the waste stream or any product resulting there from. Advocacy on appropriate sanitation.
Control of the handling and disposal of diseased animal tissue. Ensuring safe usage of treated sewage sludge and the health and safety of reclaimed waste. Ensuring waste management including auditing of waste management systems and ensuring the "cradle to grave" approach is adhered to.

(4) Health Surveillance of Premises and these includes –

Environmental Health Impact Assessment including housing projects and indoor air quality monitoring. Assessment of factors including ventilation, lighting, moisture-proofing, thermal quality, structural safety and floor space. Assessment of an overcrowded, dirty or unsatisfactory condition in any residential, commercial, industrial or other occupied premises.
Monitoring all buildings and all other temporary or permanent physical structure for residential, public or institutional use (including health care and other care, detainment, work and recreation including travel, tourism, holiday resorts and camping sites) as well as the facilities in connection therewith and the immediate precincts thereof. Ensuring the urban and rural land-use planning and practices that are conducive to sustainable development through sound environmental health impact and other assessments. Ensuring prevention and abatement of any condition on any premises which is likely to constitute a danger to health.
Ensuring the health safety of the public passenger transportation facilities such as busses, trains, taxis, boats and aeroplanes as well as all other facilities in connection therewith.

Ensuring compliance with the principles of agenda 21, Healthy Cities approach to integrated service rendering and the practical minimizing of any detrimental environmental health risk.

(5) Surveillance and prevention of Communicable diseases which excludes Immunizations.

Health and hygiene promotion aimed at prevention of environmentally induced diseases related communicable diseases. Collection, analysis and dissemination of epidemiological data and information. Use of Participatory Hygiene and Sanitation Training (PHAST) approaches for effective control measures at community level. Epidemiological surveillance of diseases. Establishment of effective Environmental Health Surveillance and Information System at different spheres of governance. Develop environmental health measures with protocols with reference to epidemics, emergencies, diseases and migrations of populations.

(6) Vector control monitoring which includes: -

Identification of vectors, their habitats and breeding places. Vector control of public health interest including the control of arthropods, molluscs, rodents and other alternative hosts of diseases. Removal or remedying of conditions resulting in or favouring the prevalence or increase of rodents, insects, disease carriers or pest. Residual spraying of premises and surrounds. Investigate zoonotic diseases and other vector borne diseases in the working and living environment. Surveillance of imported cargo and livestock for the prevalence of disease vectors. Serological tests of rodents, dogs and other pets.

(7) Environmental Pollution Control

Including: -

Ensuring hygienic working, living and recreational environments. Identification of polluting agents and their sources,like air, land and water. Conducting environmental health impact assessment of development projects and policies, including Major Hazardous Installations. Identifying environmental health hazards and conduct risk assessment and mapping. Accident prevention e.g. paraffin usage. Approval of environmental health impact reports and commenting on Environmental Impact Assessment applications. Ensuring clean and safe air externally (ambient and point sources), including emission inventories monitoring, modeling and toxicological reports reviews and complaint investigations. Control and prevention of vibration and noise pollution. Prevention and control of land pollution detrimental to human, animal or plant life. Ensuring compliance with the provisions of Occupational Health and Safety Act and its regulations including anticipation, identifying, evaluating and controlling of occupational hazards. Preventative measures required to ensure that the general environment is free from risk health. Ensuring the registration, permitting, monitoring and auditing of all industries, activities, trade, etc, which involves the control of internal impacts on the worker and external impacts on the community and the environment. Infrastructure integrity management including pipelines and tankage. Ensuring emergency preparedness under abnormal operating conditions and disasters jointly with other role players. Develop sustainable indicators appropriate for monitoring the effectiveness of environmental management systems of industry.

(8) Disposal of the Dead

Control, restriction or prohibition of the business of an undertaker or embalmer,mortuaries and other places or facilities for the storage of dead bodies. Regulating, control and prohibition of graves, cemeteries/ crematoria and other facilities for the disposal of dead bodies. Manage, control and monitor exhumations and reburial or disposal of human remains.

(9) Chemical Safety

Including: -

Listing of all operators, fumigation firms, formal and informal retail premises, which deal with the manufacturing, application, transport and storage of chemicals. Permitting and auditing of premises e.g. Scheduled Trade permit. Facilitating pesticides and/or chemical safety advice, education and training.

(10) Noise Control

Assessment of the extent of noise pollution and its effect on human health. Facilitate noise control measures. Measuring of ambient sound and noise levels.

(11) Radiation (Ioning and Non Ionosing) Monitoring and Control

Including: -

Ensuring that ionising and non-ionising radiation sources are registered with Department of Health. Ensuring that the registered ionising and non-ionising radiation sources meet the license conditions. Monitoring the safe transportation of radioactive material to ensure compliance. Ensuring that radioactive sources are licensed with the Nuclear Energy Council of South Africa. Ensuring that all radiation material wastes from hospitals and other licensed establishments are properly disposed of. Ensuring safety against any form or sources of electro-magnetic radiation.

(12) Control of Haradious Substances

In terms of control/monitoring the following is undertaken by the district:-

Ensure that substances are correctly labeled. Ensure that all active ingredients are indicated.

Ensure that warning signs are indicated. Ensuring that precautions are taken during storage/transportation and appropriate protective gear is utilized during handling. Ensure that all substances are registered with the Departments of Agriculture and Environmental Affairs.

To ensure control of substances to prevent injury, ill-health or death by reason of their toxic, corrosive, irritant or flammable nature. To control the importation, manufacture, sale, operation, application, modification or dumping of such substance. To undertake licensing and registration of premises. Inspection of premises to ensure safety, storage, compliance, precaution measures, etc. Ensure sampling is done according to approved procedure. Ensure that all labeling regulations are complied with. Check on all stock records and ensure hazardous substance register is up-dated. Ensure that empty containers are disposed of according to statutory requirements.

Background and Status of Municipal Health Services in the District Municipal area

The significant role that Environmental Health Services play in the economy and health systems of South Africa has been overlooked for many years and we hope that this process will open more doors for dialogue to promote and develop the service and the profession to serve its purpose to ensure that our communities live, work and recreate in accordance with their constitutional right, in a healthy and safe environment.

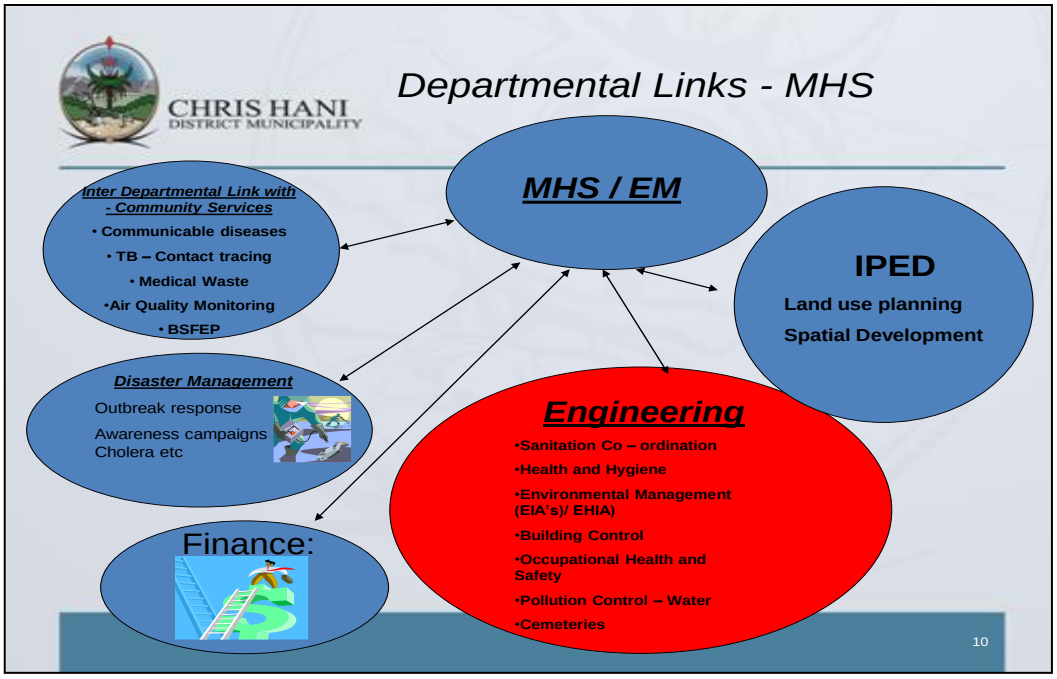
Environmental Health Services were in the past and in some cases still are fragmented with the different service providers such as local, district and metropolitan municipalities as well as the provincial department of health that rendered the services in the same areas, everybody mainly focusing in another angle of environmental health. Governments aim was to rationalise the health services and therefore they introduced a local government based District Health System as the vehicle to render Primary Health Care services to the communities. Therefore the Constitution made mention of the term municipal health services as a local government function.The latest developments in the delivery of environmental health service by local authorities are influenced and directed therefore, by the Constitution of the Republic of South Africa, 1996 (Act 108 of 1996), that first promulgates three categories of municipalities, namely A – metropolitan municipalities, B – local municipalities and C –district municipalities. It also makes mention of municipal health services under Part B of Schedule 4 of the Constitution, which is a responsibility of the Metropolitan and District Municipalities in accordance with section 84(1) of the Municipal Structures Act, 1998 (Act 117 of 1998) and section 32(1) of the National Health Act, 2003 (Act 61 of 2003). Municipal health services are also included in the term health services in the last mentioned act.

Nevertheless, the term municipal health services that are allocated to metropolitan and district municipalities, includes a list of selected environmental health services (EHS) activities and aspects. Therefore, the metropolitan and district municipalities are the authorities to implement and render municipal health services. In view of the latter, our Council had in 2006 conducted section 78 assessment in order to fully inform the process of transferring municipal health services from category B municipalities and the Province back to where they belong in terms of the afore mentioned pieces of legislation. Since that time, to date, this process presented a number of financial and human capital challenges. As a result, the transfer of staff although done it had some challenges which are to be ironed for good.

The matrix above will take cognisance of the population ratio as dictated by the national norms and standards, which categorically states that one (1) EHP per 15 000 population.

Internal stakeholder relations

The diagram below shows the relationship this unit has with other departments within CHDM that continuously support this unit in an endeavour to achieve its fundamental objectives and goals. This relationship is existing despite challenges that are however manageable.



Sanitation Resource Centre

The main purpose of the centre is to promote safe sanitation within the district and also educate communities on health and hygiene practices. 6

2.6.7 ENVIRONMENTAL MANAGEMENT

This Environmental Management unit is legislatively informed by the National Environmental Management Act 107 of 1998 wherein its function is to address environmental management and climate change related issues. Critical to this unit is the development of a district wide Climate Change response Strategy. This will be done in collaboration with all other interested and affected stakeholders. The strategy will address adaptation and mitigation measures in an attempt to conserve the natural resources that exist within the district. This unit strides to ensure realization of Section 24 of the Constitution wherein it is stated that everyone has the right to an environment that is not harmful to their health or well-being; and to have the environment protected, for the benefit of present and future generations, through reasonable legislative and other measures that prevent pollution and ecological degradation, ensuring conservation and ecologically sustainable development and use of natural resources.

1. Waste Management

Chris Hani District Municipality is not performing the task of refuse removal. The refuse removal services are performed by the local municipalities and in this case the 6 local municipalities performing this task of refuse removal are Enoch Mgijima, Sakhisizwe, Inxuba Yethemba, Ngcobo, Emalahleni and Intsika Yethu local municipalities. The local municipalities provide high quality standards of waste management services considering their rural nature and economic stress. Waste is collected on a daily basis in town and in urban residential areas and townships the waste is collected twice a week.

There are refuse receptacles in a form of skips and rubbish bins in towns and the refuse removal vehicles, tractors and trucks are in good conditions. The waste is disposed in the landfill sites which are managed at local municipal level.

Waste Management Planning and Projects

CHDM assisted all the 6 local municipalities by developing the Integrated Waste Management Plans. This means that all local municipalities within CHDM have integrated Waste Management Plans which are currently under review. Through CHDM's partnership with the national Department of Environmental Affairs (DEA), Multi recycling facility and buyback Centre on Waste Programmes are being implemented in all 8 municipalities in the region. These programmes mainly focus on waste collection, recycling & sorting of waste, awareness campaigns as well as landfill sites management. The DEA provided funding and support towards licensing of Cradock landfill site and rehabilitation of the Whittlesea, Hofmeyer and Dordrecht waste sites. Several EPWP programmes are implemented in municipalities towards cleansing, establishment of buy back centres and recycling.

1. Greening and Land Care Programmes

In relation to greening, CHDM has resolved to 'green' its events by planting trees as means of striving to counteract the carbon footprint. Trees are planted for the purpose of greening especially in towns, villages and schools. As part of greening and land care, CHDM is implementing job creation projects for correcting environmental degradation by means of eradicating invasive alien plants and encroaching species like *Euryops* (Lapesi), Black and Silver Wattle. The Wattle Eradication Programme and or Land Care Management Programme are implemented in certain areas of Ngcobo, Enoch Mgijima, Sakhisizwe, Emalahleni and Intsika Yethu municipalities. The greening and environmental rehabilitation programs have also been expanded to include research and a management program for Satansbos at Inxuba Yethemba municipalit. The main objectives for land care and greening programmes are as follows:

- Alleviate poverty through responsible environmental management
- Create employment for the communities
- Promote behavioral change with respect to environmental management
- Protect the environment and ensure the safe use of land

2. Environmental Education and Awareness Programmes

Awareness programs are conducted on environmental quality management, land care and sustainable development in relation to climate change. Observation of environmental days like Arbor Day, World Environment Day and Water Week helps in raising the awareness in terms of identified themes for those programs on an annual basis. Environmental education programmes are also conducted in schools. The impact of these capacity building sessions cannot be overemphasized as we can see that CHDM is now ready to address the scourge of climate change and make it beneficial to the citizens of this region through greening, recycling, and renewable energy initiatives. Environmental education programmes are also conducted in schools.

3. Environmental Planning and Management

Chris Hani DM is in the process of developing Climate Change Adaptation and Mitigation Strategy as well as the Air Quality Management Plan. The Integrated Waste Management Plans are under review. The environmental planning tools currently used are the Environmental Management Plan and the Spatial Development Framework. Several capital projects which require Environmental Impact Assessment are included in the list of CHDM's capital projects in this document.

4. District Wide Environment and Climate Change Forum

In February 2014, CHDM hosted a District Wide Institutional Strategic planning session in preparation for a 5 year IDP (2012 – 2017), wherein climate change was prioritised by all Departments in the name of mainstreaming. Subsequently, a climate change summit was convened on February 2012 with a resolution to funcitionalize a district climate change forum. It is against this background that the Environment and Climate Change Forum has since been operational. The forum focuses on a wide scope of environment and climate change aspects affecting the district including local municipalities pertaining to:

- Education, awareness and capacity building
- Compliance, Legislation and policy (requirement and formulation)
- Biodiversity
- Waste Management and Air Quality

CLIMATE CHANGE

Climate change is defined as the statistical significant and lasting change in the characteristics of the climate system. Besides natural processes, climate change may result from human activities, as is the case with the current climate change concerns. The major concern as a significant of climate change is the increased emission of greenhouse gases, e.g. Carbon Dioxide, Methane, Nitrous oxide and Halocarbon gases that contain fluorine, chlorine and bromine – mainly used in aerosols.

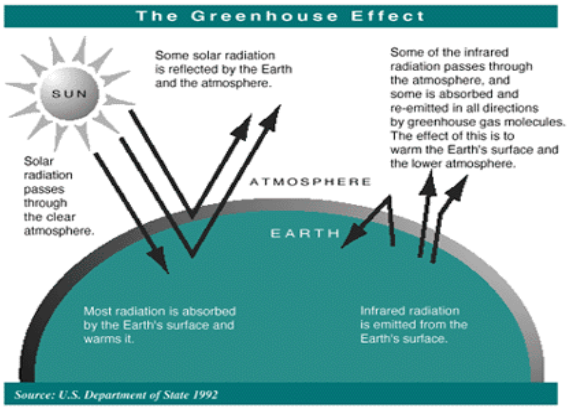
The Impact of Climate Change and International Efforts to deal with the Challenge:

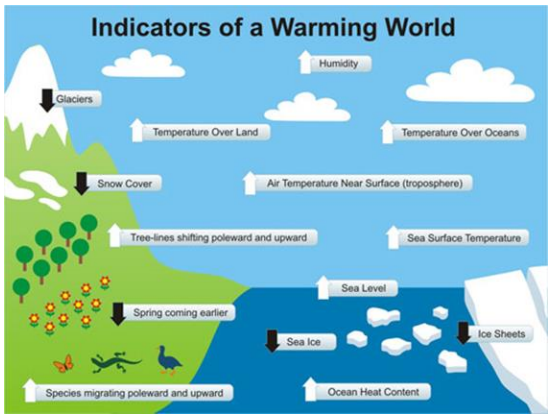
A key characteristic of the current climate change is global warming which refers to the general increase in surface temperatures across the world. The main concern and urgency about dealing with climate change is that the process is irreversible. Scientific evidence gathered from different research activities around the world strongly indicate that the climate is changing and the main contributor to these changes are human activities.

The use of fossil fuel, e.g. coal, in energy generation is one of the major producers of greenhouse gases which are destroying the atmosphere resulting in the increase in surface temperature due to ozone depletion. Other factors that contribute to the climate change include the use of aerosols, cement manufacture, animal agriculture and deforestation.

The international community is alarmed by the current rapid change in climate, which is leading to **global warming**, and this has led to international consultation and attempts to reach consensus on measures that need to be adopted to reduce the impact of climate change, at forums such as **the United Nations Framework Convention on Climate Change (UNFCCCC)**,

the **Kyoto Protocol** (1997) and **COP-17** which was held in South Africa in 2011 has not really yielded the intended results.


The Greenhouse Effect
SUN
Some solar radiation is reflected by the Earth and the atmosphere.
Some of the infrared radiation passes through the atmosphere, and some is absorbed and re-emitted in all directions by greenhouse gas molecules. The effect of this is to warm the Earth's surface and the lower atmosphere.
Solar radiation passes through the clear atmosphere.
ATMOSPHERE
EARTH
Most radiation is absorbed by the Earth's surface and warms it.
Infrared radiation is emitted from the Earth's surface.
Source: U.S. Department of State 1992



Some of the noticeable effects from climate change in South Africa include the change in the type, distribution and coverage of vegetation which has affected agricultural activities, especially in rural areas like Chris Hani District Municipality (CHDM) and areas with semi-desert especially the Eastern Cape Province. South Africa is already experiencing some effects of change in climate such as the recent extreme weather patterns e.g. very hot and cold seasons and heavy rains and flooding, with droughts hitting other parts of the country, these do not follow the known or anticipated climatic conditions.

The Need to Urgently Adapt and Mitigate the Impact of Climate Change:

Climate change requires that all nations, act now and together without exception. The impact of changes to the climate stretches beyond territorial boundaries. There is consensus among researchers that, adaptation policies and programmes need to be implemented without delay on a multi-scale level to reduce the envisaged crisis and disasters that are associated with climate change. According to some experts the projected climatic changes for Africa suggest a future of increasingly scarce water, collapsing agricultural yields, encroaching desert and damaged coastal infrastructure.

South Africa is a water scarce country, and this natural resource is seriously threatened by the current global warming that characterizes climate change. At provincial and local government

levels including District like CHDM, this will require more collaboration in seeking solutions and adapting so that the contributing factors to this phenomenon are reduced.

It is envisaged that the impacts of climate change 'will be magnified or moderated by underlying conditions of governance, poverty and resource management, as well as the nature of climate change impacts at local and regional levels'. In 2008, the Secretary General of the Organisation for Economic Cooperation and Development (OECD), Angela Guirra, made the following statement, during a Conference on "Competitive Cities and Climate Change",
"In our cities, citizens, industries and institutions must respond to the challenges of technological change and globalisation. In our cities, as elsewhere, we must deal with the social implications of change (…) Urban areas could (also) play a central role in successfully addressing global environmental challenges (…) Cities generate almost 70% of total gas emission. **There is no doubt that improvements in urban design, housing stock, traffic congestion and accessibility, disaster prevention and waste management, are crucial component of a strategy to combat global warming.** If cities fail to deal effectively with environmental challenges, our planet is in serious trouble". - Competitive Cities and Climate Change. OECD Conference Proceedings, 9-10 October 2008, Milan, Italy.

The relevance of this statement can never be under estimated as we see the urgency of the need for all of us to act decisively in dealing with what has been described as one of the man-made security threats of this century. Experts gathered at the OECD 2008 Conference proposed that:

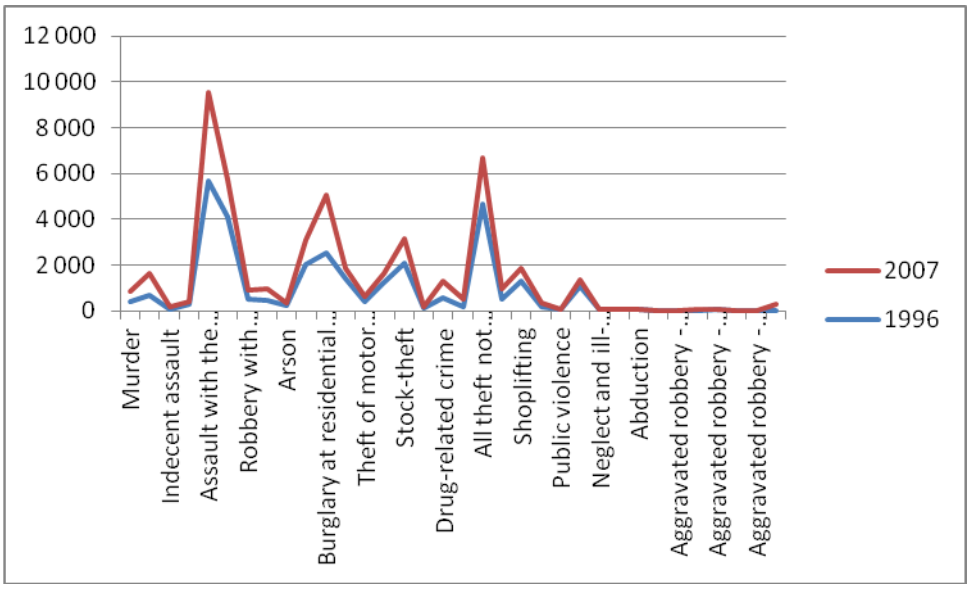
"Strong and effective urban policies that enable cities to benefit from globalising processes require flexible, multi-level forms of inter-governmental joint action. The need for a multi-level governance framework for urban development policies is particularly critical for addressing climate change. City and regional leaders are generally best suited to design strategies for addressing their own local climate change risks. Likewise, local governments are needed as partners to implement nation-wide climate change response policies, while at the same time designing their own policy responses that are tailored to local contexts."

It is within this background and within the context of South Africa's experiences and unique conditions that it has been deemed fit to develop and spearhead the programme on Climate Change within our CHDM, as part of a District wide adaptation strategy.

2.6.7 Safety and Security

Whilst crime remains a serious issue within the District, the SAPS are undertaking numerous strategies through which to combat crime. SAPS records the incidence of crime on a daily basis, and utilises this information to manage the crime situation in the region. The most significant rises in crime as indicated by the chart below are in indecent assault, residential burglary and theft not covered in other categories.

A study done by the department of Social development have indicated that there is a rise in the gender based violence index from 0.16 in 2013 to 0.29 which is worrying and can be linked to the rise in assaults on women.



Some of the key challenges faced by SAPS in addressing crime relate to the poor quality of some roads which lead to police stations. This is most notable in rural areas. The result is such that it is difficult for the residents of the area to access police stations. In addition, infrastructure capacity – particularly with regards to the holding cells is an issue. There is currently insufficient jail accommodation in the area. As a result, many convicted prisoners are kept in holding cells.

It is noteworthy that the SAPS boundaries and those of the Local and District Municipalities do not coincide. As a result, the coordination of activities is often a challenge.

The state of crime in South Africa has been the topic of many media articles and papers in the past years, and although many would acknowledge that the country has a crime problem, very little research has been done on the relative level of crime. The media often tend to focus on more negative or sensational information, while the progress made in combating crime is neglected.

2.6.8 Disaster Management & Fire Fighting Services

CHDM has a well established Disaster Management Centre which was officially opened in 2005. It operates with some avarage staff and with limited resources, on the communication side this has since been addressed as a world class communication system has been installed and deals with disasters in terms of issuing of early warnings, receiving calls and dispatching response vehicles and making Incidents Reports. Within the district there are six Satellite Centres in that are located in strategic municipalities which are operating with three officials each which are equipped with information communication systems and linked to all emergency responses agencies and it it the responsibility of these centres to conduct vulnerability and risk assessment as they are closer to communities.

These satellite centres are not fully equipped with all proper infrastructures and district is making in-roads in terms of addressing the bottlenecks. The officials in those satellite centres are responsible for educating the communities on disaster management risk reduction practices as embodied in the Disaster Management Act 57 of 2002 and Disaster Management Framework of 2005 respectively.
So as part of thereir daily operations they are to undertake these programmes of conducting community vulnerability and risk identification. In response to the climate change challenges, the district will conduct a scientific risk assessment in the next financial year that will inform the development of a Disaster Management Plan. The municipality adopted its Disaster Management Plan in 2012-13 and is annually reviewed and adopted by council together with all other sector plans and is the one that guides and inform how disasters must be managed and addressesd looking into the Spatial sphere of the district as chapter 4 of the IDP document broadly explains the Spatial Development Framework of the district. Disaster Management Plan for the period 2017-2022 will be redeveloped and be adopted by council.

Within Disaster Management Centre Fire fighting services are located at there, though the district is responsible for hazardous and veld fires it has also extended its services to the local municipal areas where resources are not available or insufficient to perform the services effectively. The district is on a mission of determining the roles and responsibilities of this function between category B municipalities and Chris Hani DM as this will give effect to formalization of working relations between these spheres of government as some functions tend to overlap between CHDM and its LM's, but this does not mean the function wont be undertaken as there is a co-operative agreement in between municipalities. Chapter 3 of this IDP indicates how this process will unfold.

For the year 2015-2020 CHDM has developed CHDM District Fire Srvices Plan with the understanding that Chris Hani District Municipality is prone to many human- induced and natural veld, forest and mountain fires which occasionally leads to loss of live-stock, lives or injuries, property, economical loss and environmental degradation (damage the natural resources base or adversely alter natural processes or ecosystem. In the past decade, these fire occurrences have become more frequently and severe. Adetailed analysis is on the plan itself which can be assessed on municipal website.

HIV & AIDS EPIDEMIC

The issue of HIV&AIDS Coordination needs to be clearly articulated as contained in the National Strategic Plan on HIV and AIDS, STIs and T.B., DPLG framework and SALGA country plan of HIV&AIDS within the local government environment. This has been explicitly explained under the section of demographics above.

HIV AND AIDS PREVALENCE WITHIN CHRIS HANI DISTRICT MUNICIPALITY

Antenatal Sentinel HIV and Syphilis Prevalence Survey for Chris Hani District Municipality show that HIV and AIDS prevalence was 27.1% in 2006, then increased to 30.2% in 2007, then

decreased to 27.0% in 2008 and remained at 27.0% in 2009 but increased to 30.1% in 2010. HIV and AIDS prevalence among CHDM employees and councilors was found to be 16% in the baseline survey conducted by Epicentre in February 2009. CHDM continues to invest in its communities and its workplaces through implementation of community and workplace HIV&AIDS programs. In the workplace programmes within CHDM education and awareness programmes are conducted internally at departmental and at institutional levelI.
HIV and AIDS workplace committees within CHDM and in the local municipalities have been established and they assist in planning and implementing HIV and AIDS workplace programmes. Peer educators as part of internal programs also assist in identifying departmental needs and implementation of departmental HIV and AIDS programmes. Peer educators also capacitated to provide counseling and support to their peer within the departments. They also assist in condom distribution and monitoring of consumption of condoms. The prevention programmes are aimed at preventing new HIV, STI and T.B. infections and re-infections to those already infected HIV Testing and Counseling Services are continually offered to the employees and councilors in line with programmes and events conducted to encourage employees and councilors to know their health status which includes HIV, STI's and T.B. These programmes are implemented as informed by HIV/AIDS, STI & TB Workplace Policy which has been adopted by Council towards end of 2013-2014 financial year.

The education programmes also focus on the human rights and as well as responsibilities of employees. Employees are informed about policies and other legislations to empower them to know their rights and responsibilities and to be able to exercise these in the context of HIV and AIDS. Other programmes which are conducted are care and support programmes which are aimed at providing support to the employees and councilors infected and affected by HIV and AIDS. These programmes are implemented in partnership with internal and external stakeholders such as Wellness programme, Special Programmes Unit and other stakeholders. Individual employees are able to access individual counseling from HIV and AIDS section or Wellness Programme. Referrals are also made to external services. National and International calendar events are also commemorated however the focus is more on implementing programmes for maximum impact.

Chris Hani District Municipality HIV and AIDS unit also provides technical guidance and support to the Local Municipalities and other stakeholders within the district for the implementation of internal and external HIV and AIDS programmes. Partnerships have been made with all the local municipalities within Chris Hani District Municipality for both internal and external HIV and AIDS programmes in implementing programmes such as Sexually Transmitted Infections and Condom use promotion, Candlelight memorial and World AIDS day. A policy for Mainstreaming of HIV and AIDS by all departments within Chris Hani District Municipality, its local municipalities and district wide has since been developed and it involved all stakeholders in the process and they will be capacitated for its implementation. All these programmes are aimed at reducing the impact of HIV and AIDS within the district.

CHDM also coordinates implementation of integrated HIV and AIDS programmes within the communities through forums such as District AIDS Council, Local AIDS Councils and Ward AIDS Councils. LACs have been established and inducted in all local municipalities. Ward AIDS Councils have been established and inducted in six local municipalities. These forums ensure

integrated planning and implementation of HIV and AIDS programmes within the communities. Some of the programmes of DAC are research conducted during door to door campaigns which is aimed at identifying service delivery needs of communities as well as educating household on a numbers of issues such as health and social issues, HIV and AIDS, social grants and other issues. The District AIDS Council (DAC) has conducted door to door campaigns in the seven local municipalities.
DAC also provides capacity building for its stakeholders on identified capacity needs. As part of DAC programmes, partnerships have been held with various stakeholders such as Chris Hani Choral Music Society, Chris Hani Council of Churches, Department of Sport, Recreation, Arts and Culture and Walter Sisulu University.

Policies and Strategies developed to address and mitigate impact of HIV/AIDS within the district and these were adopted by council.

- HIV and AIDS Workplace Policy adopted in 2007 and later reviewed in 2013-2014 and adopted by Council.
- HIV and AIDS Strategic Plan Document for Workplace Programme developed in 2010, adopted by council.
- District HIV and AIDS Strategy Document 2008 – 2011 has been reviewed in 2012 and adopted by council.
- Mainstreaming of HIV/AIDS, STI & TB Mainstreaming Policy which has been adopted by Council towards end of 2013-2014 financial year.

Key issues within HIV/AIDS Workplace Strategic Plan developed in 2010 are:

Levels of HIV infection among the participants, according to five-year age bands, are tabulated on the starategy. HIV infection levels were highest among employees below age 50 years.

Due to the fact that the Chris Hani District Municipality has a relatively older workforce (with about 60% of the employees tested being over age 40 years) it can be expected that many employees with HIV infection may be moving into the later stages of infection and that increasing numbers will be getting sick.

Stigma levels are high, with 99% of the employees surveyed believing that they will lose their job if they disclose their HIV status. This means that the municipality's HIV and AIDS policy needs to be better communicated, and that there is a need for HIV and AIDS-related training among management personnel in order to enable communication and implementation of the policy.

The employees appear to face high levels of exposure to HIV; 2 out 3 of those surveyed reported that they had nursed a person with HIV. Thus, there is a need for more HIV and AIDS-related training for municipal employees.

Among the municipality's employees, the peer educators are not effectively training their peers, and meanwhile they require tool kits to training their peers. This is a serious gap in the current peer education programme.

The employees generally believe that the municipality's HIV and AIDS workplace programme is of value, but they would like it to focus more on HIV and AIDS-related treatment and life skills. About 50% of the employees surveyed knew their HIV status.
Overall, the employees would like VCT offered annually through the workplace.Several other health problems were reported by the employees: 88 reported having high blood pressure, 17 had asthma, 20 had diabetes, and 54 said they had symptoms of TB. Mental illness is perhaps the fastest-growing disability problem. The survey found significant levels of mental illness among the municipal staff who participated. A large number of employees reported symptoms of stress and depression. About 70 employees said they suffered from stress, did not sleep well at night, have headaches, or are tired all the time. About 30 employees said they were depressed. More than 50% of the employees reported money problems and consequently needed financial training. The results also indicate that gambling is a problem as a large percentage of the employees reported that they gamble.

CHRIS HANI DISTRICT HIV AND AIDS MAINSTREAMING STRATEGY

The strategic plan document guides Multisectoral coordination of HIV and AIDS programmes within the district through the District AIDS Council (DAC). The DAC is a multisectoral, multi-stakeholder structure that is coordinated within the CHDM. It is located in the office of the Executive Mayor, Chaired by the Portfolio Councilor for SPU, Public Participation and HIV and AIDS and administratively coordinated within the office of the Director, Health and Community Services by the HIV and AIDS unit. The DAC has subcommittees that are formulated according to the priority areas mentioned above. The sub-committees ensure the implementation of the council programmes and projects that are related to HIV and AIDS within the entire district.

The Strategic Plan focused on 8 Priority areas in response to HIV & AIDS within the Chris Hani District Municipality area of jurisdiction.
Priority 1: Prevention, Education, Awareness and Condom distribution
Priority area 2: Care and support for people living with HIV and AIDS (PLWHA)
Priority area 3: Care and Support for orphans and vulnerable children (OVC)
Priority Area 4: Circumcision

Priority area 5: Access to Human Rights and Justice

Priority area 6: Research, Monitoring and Evaluation

For the year 2015-2016 financial year CHDM did a major review of the HIV, AIDS, STIs and TB Mainstreaming Strategy. This workplace strategy is one of the Chris Hani District municipality's contribution in the broader national and provincial integrated response to the challenges posed by the HIV and AIDS pandemic and its purpose is to bring into life the CHDM HIV and AIDS workplace policy framework through development, co-ordination and implementation of appropriate HIV and AIDS workplace programmes that include:

a) To help CHDM staff and partners understand the principles and stages in mainstreaming HIV and AIDS.
b) To develop a clearer understanding amongst staff and partners about integration activities and holistic mainstreaming.
c) To give practical advice about implementation, through user-friendly, adaptable steps towards mainstreaming

3 CHDM Anti Poverty strategy

The institution developed its own Anti Poverty Strategy taking a tune from the Eastern Cape Anti Poverty startategy. The main purpose of the strategy is to work on identifying the challenges that are poverty related and put forward the fundamentals of what the district will consider as an appropriate responses to address those challenges in an comprehensive, multi – dimensional, sustainable and well being manner.
The mandate to formulate the strategy derived from various platforms; the Chris Hani District Municipal Council took a resolution that the strategy be developed.

The overall objective of this strategy is to eradicate poverty. In fighting poverty the strategy will focus on the creation of economic opportunities and enabling or empowering communities and individuals to access available opportunities in the district.
The aim is ensure social assistance and provision of basic services and ensure sustainability of the program by equipping communities to support themselves. Most importantly we aim at resolving poverty through improving the economic situation of households, by ensuring and facilitating a coherent approach towards the implementation integrated programmes and strategies.
The strategy focuses on the following key elements:

- Comprehensive understanding of Poverty (definitions, determinants, indexes and measurements)
- Strategic targeting of areas, packaging of programmes that will have the strongest Poverty Reduction impact
- An acknowledgement of each department's responsibility, and other stakeholders' responsibilities in ensuring poverty eradication.
- Encouraging inclusive and participatory setting of targets and monitoring of outcomes or success indicators
- The facilitation of intergovernmental collaboration, resources mobilisation, allocation and interrogation

Expanded Public Works Programme & Community Works Programme

The institution is a beneficiary to the national programme of Expanded Public Works Programme and has developed a policy around EPWP which was adopted by Council in 2010 and reviewed annually. The policy identified Learnership and Job Creation as two key initiatives that CHDM can implement EPWP.

Learnership

From the programme 23 learner contractors had been appointed for the next intake of learnersip on EPWP. These contractors are appointed for the period of three years working in different project i.e. water and sanitation. The project Intsika Yethu Sanitation has been identified as one of the labour intensive project that will be done by these learner contractors. Learner contractors were awarded the project Intsika Yethu Sanitation in May 2011.
There were challenges with suppliers who do not trust contractors but 16 of them manage to finish the project in time. The other 7 are still busy on site. The contract duration for the project is 6 months which ended in February 2012. Due to the delays the contract duration was extended to end March 2012. Since learnership involve labour intensive and training, contractors will resume with classroom training from the 2nd of April 2012 for them to qualify for NQF Level 4. The training will take 8 weeks and after that they will be working on another Sanitation project under Cemforce construction.

Job creation

Under the EPWP the municipality has also been allocated R9million incentive grant for 2016/17 financial year. To earn this allocation, three directorates/ departments within the institution, IPED, Techical Services and Municipal Health Srevices, are participating on EPWP. CHDM has a target of creating 3750 work opportunities and 709 Full Time Equivalent (FTE's) for 17/18 FY. A total number of 6127 work opportunities have been achieved and 612 FTE's achieved in all EPWP projects as was reported to the Department of Public Works. Further than that the municicpality has earned an amount of R5, 413 million from July 2013 to December 2014 for the job creation programme.

Since there are Municipalities that are failing to achieve their target due to limited funding, the Department of Public Works has diverted from the Schedule 8 (performance based) to Schedule 5/6 (conditional) grant, starting from 1 July 2013. Municipalities will be given 40% of their allocation upfront and for them to claim the rest they are expected to spend the 40% first. The Planning Unit unit also does a programme of Paving, Beautification and Greening through ythe concept of Small Town Revilisation where labour is sourced from the affected areas and a paid through EPWP incentive. For 2013-14 an amount of R10,5 Million was utilized on Paving and out of that jobs were created throughout the district in municipalities like Inkwanca, Tsolwana, Lukhanji, Inxuba Yethemba etc. Following year 2014-15 same amount of R10,5 Million was also utilized for the same concept. For 16/17 FY our allocation is R9,6 million with a target of 1200 FTE's.

Community Works Programme

Community works programme was launched as a pilot project under the auspices of the Presidency and Social Developmeny in 2007 and was further included as EPWP new element in 2008. Its main aim was to provide a safety net by providind minimum level of regular work opportunities and to supplement the existing livelihood strategies and reduce poverty and deprivation amongst unemployed. Within the Chis Hani District Municipality there is only one

municipality not having site by 2013-14 and that is Emalahleni LM. For 2013-14 the participation rates were as follows

Intsika Yethu= 1000 Target Participants Rates with 300 Original Participation Rate

Sakhisizwe = 1000 Target Participants Rates with 1000 Original Participation Rate

Tsolwana = 1000 Target Participants

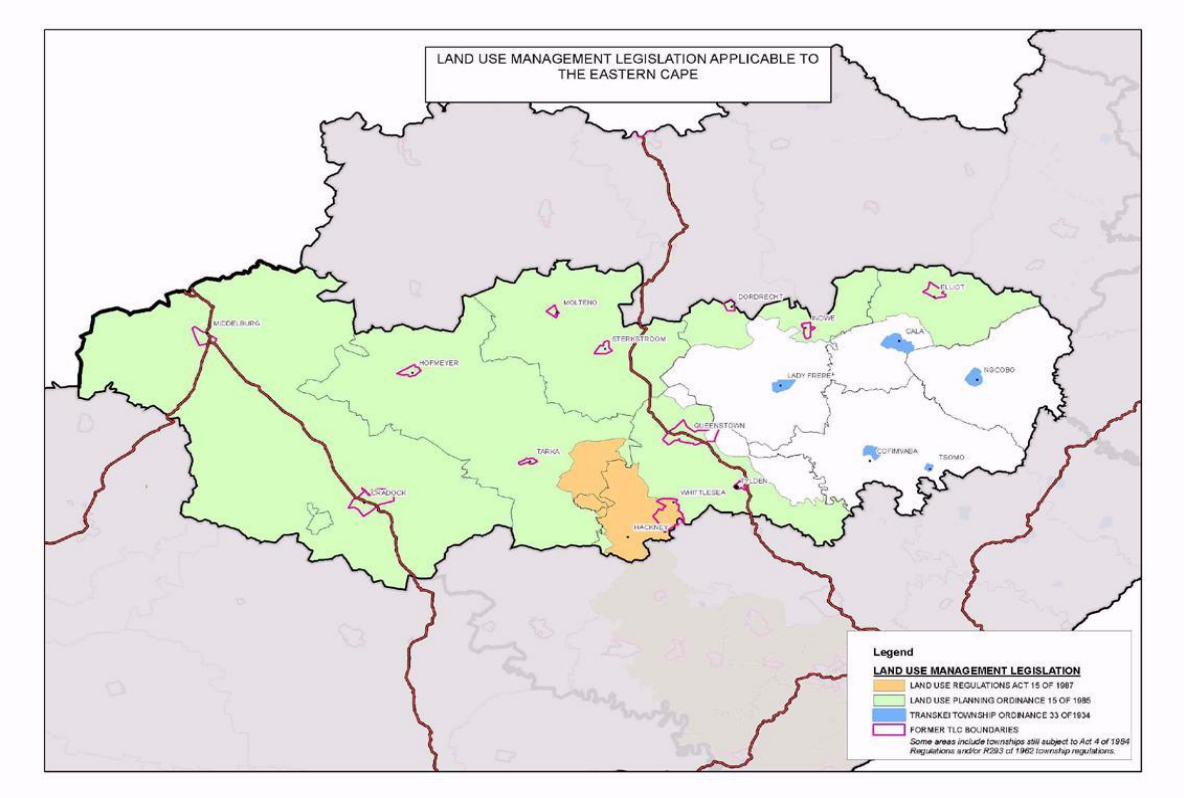
Inkwanca = 1000 Target Participants

Lukhanji = 1000 Target Participants

Engcobo = 1000 Target Participants

Tsolwana, Inkwanca, Lukhanji, Engcobo were added later as CWP Sites due to interest shown.

2.7 SPATIAL ANALYSIS and RATIONALE (Refer to Chapter 4 detailed analysis of SDF)



The Map above illustrates the legislative environment that our district operates within, and reflects the challenges that it faces in terms of coordinating of land use within the district (refer to SDF). The legislative framework is fragmented and therefore poses challenges for the district in its endeavour to create a more efficient and integrated settlement pattern in towns and settlement areas within the district. The district is addressing this challenge though it's District Spatal Development Framework which has been adopted by Council. The majority of this information is contained in the Spatial Development Framework which is a separate chapter on this IDP document.

2.7.1 Land Tenure and Ownership

The Chris Hani District Municipality comprises parts of the former Transkei and Ciskei homelands and CPA areas. The most common form of tenure in the former Transkei areas is the communal land tenure system. Ownership of land in the urban areas and former CPA areas is held by Free-hold Title Deeds. A considerable amount of land in the area of the former Transkei is still state – owned. This situation results in difficulty in obtaining land for developmental purposes. There have been calls from communities in the rural areas in the former Transkei areas to be given title to their land on an individual basis.

This will ensure tenure security and also safeguard them against future claims from others or loss through potential reorganization of village land at a later stage. It is envisaged that the Communal Land Rights Act (Act No. 11 of 2004) also known as ClaRA will inform proposals for short term actions even though the Municipality will not be able to rely on its provisions until the Act comes into effect (Emalahleni Housing sector plan).

Spatial planning professionals working within the district are faced with developmental challenges due to the dynamic legislative character of the district caused by different planning legislations that are applicable to the different towns in the district. This has led the district to focus on the creating of development plans that outline the development direction of the key nodes within our area, namely SDFs, Small town development plans, Land Use Management systems. These initiative have are new to our district but are evidence of the district and its LMs' commitment to the spatial coherent development within the district, ensuring that the developmental nature of the urban environment thrives to ensure economic growth that benefits the residents, the business environment and the Local municipalities.

2.7.2 Small Town Development

In its endeavour to define the district's spatial rationale, the CHDM Spatial Development Framework focuses on the strengthening of linkages between the deferent centres within the CHDM area and their relationship with centres outside the boundaries of CHDM. This led to the CHDM adopting the Small Town Development Approach that is aimed at accelerating development through alignment of economic activities to ensure value chain addition. The Small Towns Development approach looks at the redesigning of the town layout with the aim of ensuring the potential of the space in and around the town are fully realised.

The Chris Hani Regional Economic Development Strategy highlighted the need to identify and prioritise Small Towns along the economic corridors that have the potential to participate actively in the value chain of the differentiated sector and implement small town development initiatives.

At Intsika Yethu Local Municipality Cofimvaba was identified as one of the towns that had the potential to grow as it is one of the main service centres on the R61 east corridor, this culminated in CHDM and Intsika Yethu local municipality with the assistance of Eastern Cape Local Government and Traditional Affairs embarking on the Small town Development plan for Cofimvaba and Tsomo town. Since 2012-2013 CHDM Council set aside annualy about R10

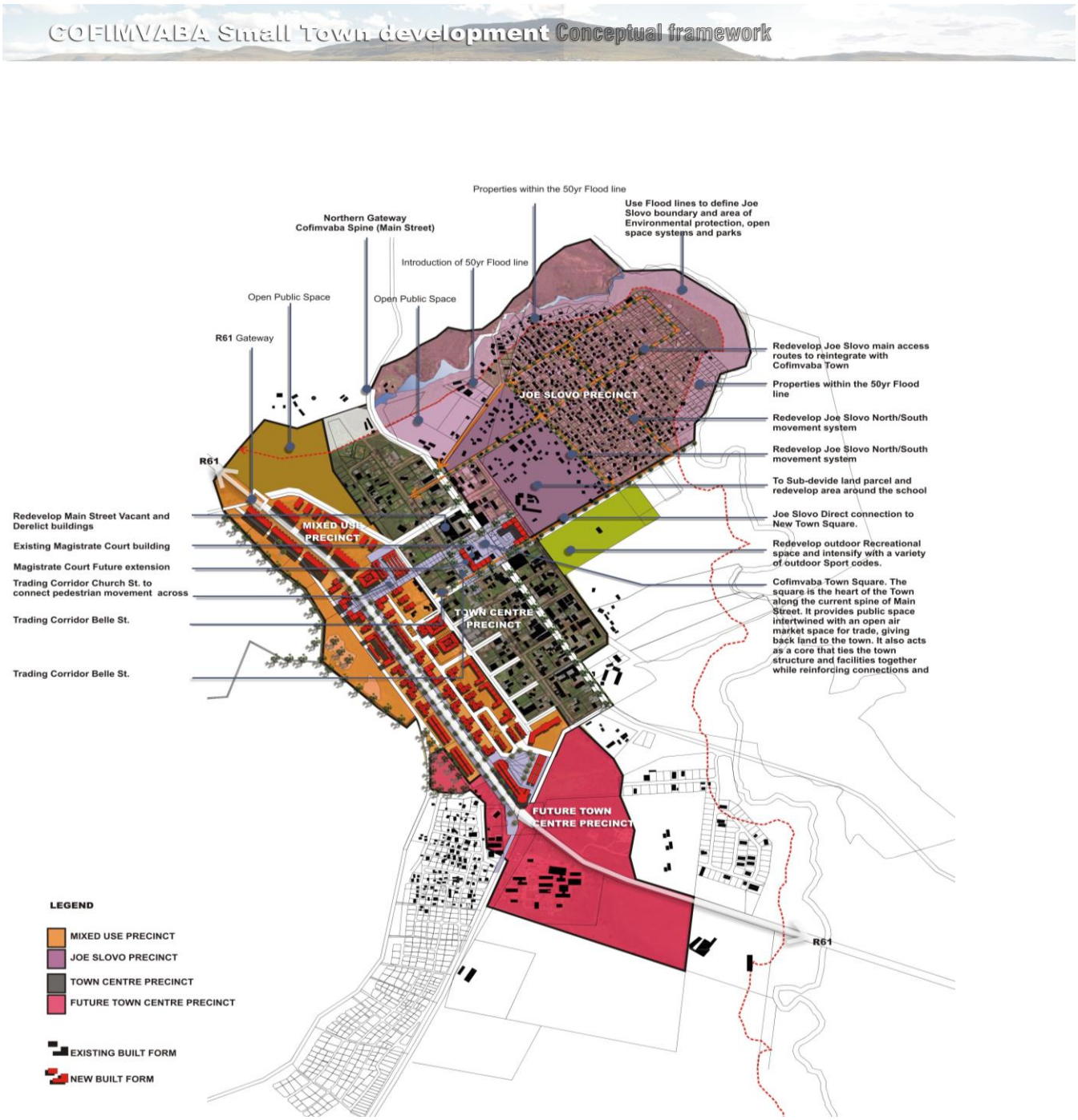
Million to address the decaying towns within the district hence focusing on Paving, Beatification and Greening. The amount was spread within our towns with Inxuba Yethemba focusing at Middleburg Lusaka Village and Cradock, at Enoch Mgijima the focus was on Mlungisi Cementries through Fencing, Beautification and Greening, Hofmeyer, Molteno and Sterkstroom for Paving. By the year 2015-2016 the CHDM assisted Engcobo and former Tsolwana to develop their Small Town Revilisation Strategies and from those strategies projects will be identified and implemented. For the Engcobo town key is to deal with Town Congestion as well as beautification and Paving.

A total budget of R25 Million was needed to develop the town of Engcobo and for 2015-2016 the council has set aside R7 Million for Paving, Beautification, Street Furniture, Parking and Hawker Stalls within the CBD, for Tarkastad key is to Pave sidewalks and beautify the town. Council further budgeted R10,5 Million for the Small Town Revitilisation programe which would focus on Paving and Beautification of Hofmeyer, Lady Frere, Hofmeyer, Mlungisi, Molteno and Middleburg etc.

The Small Town Regeneration concept is aimed at creatingf a development plan with a 30 year future outlook of it growth potential and creating a plan that seeks to realise that potential. The plan does not place the district and Intsika Yethu LM as the sole role players in the realising the developmental objectives of the Cofimvaba and Tsomo towns, Tarkastad and Hofmeyer as well as Engcobo but instead looks at creating plans to be used as a spatial guiding foundation that assists stakeholders/ investors to define their role in the overall growth/development of these towns.

The following reflect the aim behind Small Town Development:

- Strengthen the retail, business, industrial and employment role of the Town Centres.
- To develop the community, civic and educational roles of the two Centres as key attributes of vibrant Town Centres.
- Build on the unique function of each of the sub-centres serviced by these major Centres as a defining characteristic of these areas and a contribution to the Corridor Development initiative in the District.
- Improve connections between the sub-centres and encourage activities adjoining access routes between the major Centres and the sub-centres to create a more physically contiguous and integrated Town Centre service area.
- Consolidate the individual roles of the Centres so that they can better serve the sub-centres, and act as destinations for sub-centre communities by providing an extensive and unique range of retail, community and leisure opportunities.
- Encourage new housing in and around the Town Centres that increases the range of housing choices.
- Create an attractive and distinctive built environment that supports the range of activities of the Town Centres.
- Create a positive urban image for each part of the Town Centres through the design of buildings and spaces.


COFIMVABA Small Town development Conceptual framework
Properties within the 50yr Flood line
Use Flood lines to define Joe Slovo boundary and area of Environmental protection, open space systems and parks
Northern Gateway
Cofimvaba Spine (Main Street)
Introduction of 50yr Flood line
Open Public Space
Open Public Space
R61 Gateway
R61
JOE SLOVO PRECINCT
MIXED USE PRECINCT
TOWN CENTRE PRECINCT
FUTURE TOWN CENTRE PRECINCT
Redevelop Joe Slovo main access routes to reintegrate with Cofimvaba Town
Properties within the 50yr Flood line
Redevelop Joe Slovo North/South movement system
Redevelop Joe Slovo North/South movement system
To Sub-devide land parcel and redevelop area around the school
Joe Slovo Direct connection to New Town Square.
Redevelop outdoor Recreational space and intensify with a variety of outdoor Sport codes.
Cofimvaba Town Square. The square is the heart of the Town along the current spine of Main Street. It provides public space intertwined with an open air market space for trade, giving back land to the town. It also acts as a core that ties the town structure and facilities together while reinforcing connections and
Redevelop Main Street Vacant and Derelict buildings
Existing Magistrate Court building
Magistrate Court Future extension
Trading Corridor Church St. to connect pedestrian movement across
Trading Corridor Belle St.
Trading Corridor Belle St.
LEGEND
MIXED USE PRECINCT
JOE SLOVO PRECINCT
TOWN CENTRE PRECINCT
FUTURE TOWN CENTRE PRECINCT
EXISTING BUILT FORM
NEW BUILT FORM
R61

Source: CofimvabaSmall town Development plan

2.7.3 Land restitution and redistribution

The Land Reform Area Based Plan is a sector plan of the Municipality, to be implemented in partnership with the Department of Rural Development and Land Reform, the Department of Agriculture, and Chris Hani District Municipality. The Area Based Plan is a plan aimed at ensuring the achievement of local land reform objectives and targets in a coordinated and integrated manner with other development initiatives.

The Land Reform ABP Vision is:

***A transformed farming community that is**:*

- *Reflective of a racially diverse rural population living in harmony, with tenure, social and economic security;*
- *Agriculturally productive in all municipal areas, producing food for the population in an economic and environmentally sustainable manner.*

***Transformed communal settlement and land areas that are**:*

- *Reflective of households with secure and defined tenure rights, which are protected by law;*
- *Reflective of an efficient and effective system of administration of the land and the management of the use of the land;*
- *Agriculturally productive, with allotments and commonages producing food for the household and, and where appropriate, on a commercial basis, in an economic and environmentally sustainable manner.*

Objectives and Targets for the Municipal ABP are:

REDISTRIBUTION

a. In terms of the national policy objective of achieving a 30% redistribution of white owned farmland:
b. In terms of the national policy objective of productivity on redistributed farms: Farms redistributed achieve at least 80% of envisaged production output estimated in the Project Business Plan, and generate at least 75% of envisaged beneficiary income estimated in the Project Business Plan within 5 years from land occupation by the beneficiaries, with output and income steadily increasing from its baseline in year one.

COMMUNAL LAND MANAGEMENT

The key Focus Areas for land reform in the communal land areas have been identified as:

1. Land Administration (by which is meant, in this ABP, dealing with the key issues of land allocations, and recording and managing land rights in communal land areas);
2. Tenure reform or, more specifically, land rights clarification, upgrading or formalization (achieving recognized security of tenure); and

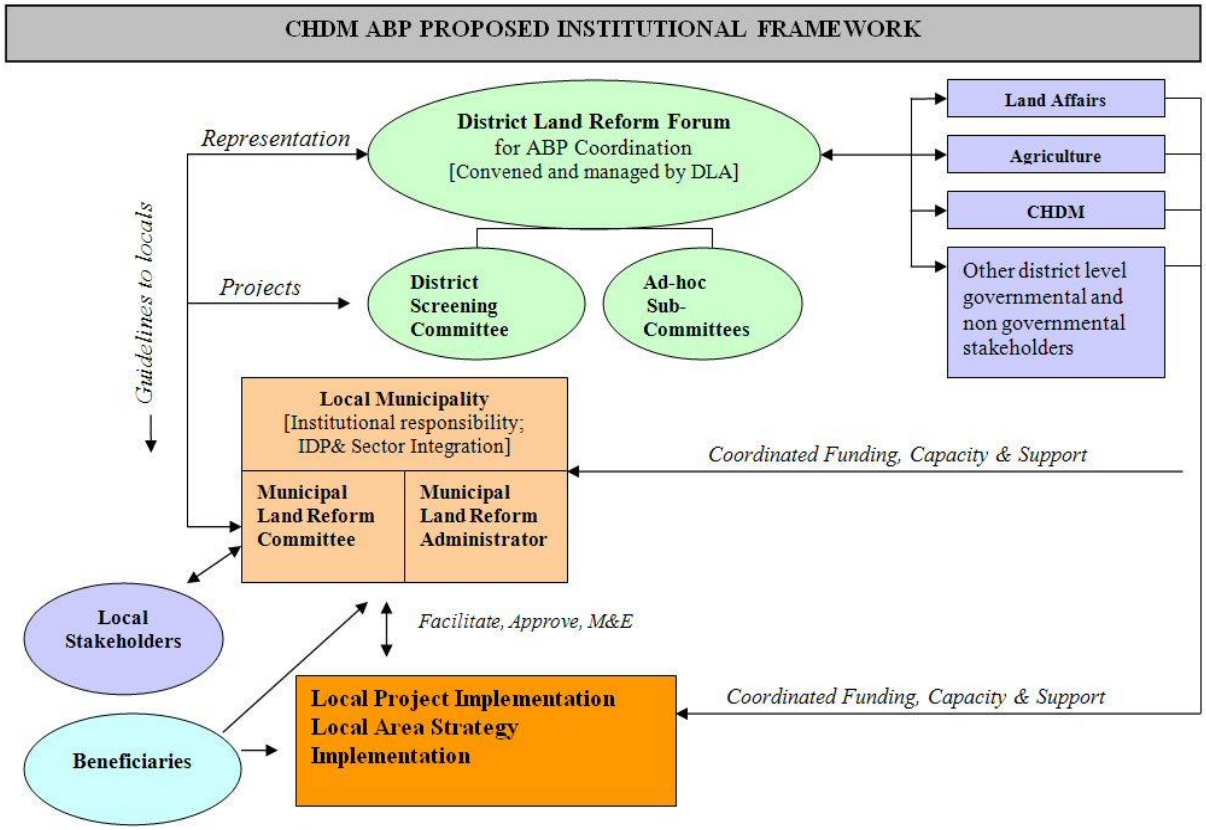
3. Dealing with issues of settlement planning and land use management (for example, to better permit natural resource utilisation for economic development and/or manage such natural resources to ensure appropriate land use and prevent resource degradation).

Strategies applied to deal with these focus areas are:

1. To implement a targeted programme of Local Planning Processes in areas prioritized by local municipalities.
2. To secure management support from the District Municipality and the Department of Rural Development and Land Reform for Local Planning Processes projects.
3. To establish a capacity building programme in support of local planning projects being implemented.

The Institutional Framework for Implementing the ABP is:

a. Establish local land reform offices with a Land Reform Administrator
b. Establish and convene the local Land Reform Committee
c. Participate in the District Land Reform Forum
d. Implement and manage the Small-Scale Farmer Support Programme



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All programme institutional and projects are subject to implementation funding from the Department of Rural Development and Land Reform, and (for relevant aspects) from the Department of Agriculture or other Departments.

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2.7.4 Land Administration Concerns

There is much concern about land administration in terms of land allocation, the recording of issued land rights, the management of land use processes in rural settlement areas, in the former Ciskei and Transkei area. This result from the breakdown of formal system in the communal land areas which has resulted in ínformalisation of practices whereby various role-players like, traditional Authorities, Department of Agriculture, ward Councillors, allocate land and record such allocations. The problem of land administration has repercussion on land management because it results in conflict between land uses in the rural areas. The issues are further clarified in the attached SDF.

Development issues

All the land for development in the urban areas is owned by the Municipality and private individuals whilst the State owns the rural land in the former Transkei and Ciskei. Whilst land is available for development, it is not quantified, ownership issues are unclear and zoning schemes and spatial development frameworks are outdated and inadequate in providing direction for future and current development needs.

Land tenure issues whereby ownership of land in the urban areas and former CPA areas is held by free-hold Title Deeds but in the rural areas is generally communal is creating tension and delays in development projects. This current fragmented land tenure system and the different planning legislation aligned to it creates difficulty in:

- accessing of land for development, primarily for housing, grazing or farming
- more effective utilization of existing land, addressing land rights, provision of title deeds and management and rights on the municipal commonage.
- Developing an effective land administration system

MUNICIPAL TRANSFORMATION & ORGANISATIONAL DEVELOPMENT

Institutional Transformation and Organisational Development deals with the institutional arrangements that have been put in place to ensure that the municipality responds to the development needs of the communities on the one hand, and that it is able to effectively and efficiently deliver on its legislated powers and functions on the other hand.

MUNICIPAL POWERS AND FUNCTIONS

The Chris Hani District Municipality is a category C2 municipality mandated to perform those powers and functions vested in District Municipalities as contemplated in schedules 4 and 5 of the Constitution of the Republic of South Africa, Act 108 of 1996. In addition to these powers and functions as contemplated in the Act, the CHDM is mandated to perform such functions and powers as determined by the MEC responsible for Local Government and as gazzetted by the province. In relation to this, therefore, the core mandate of the CHDM is the supply of bulk water and sanitation infrastructure, disaster management, municipal planning, municipal health services, tourism, local economic development and maintenance of provincial roads as per the agreement intered into between the CHDM and the Department of Roads and Publi Works. The table bellow depicts those powers and functions vested in the district and those allocated to the various local municipalities within the district jurisdiction.

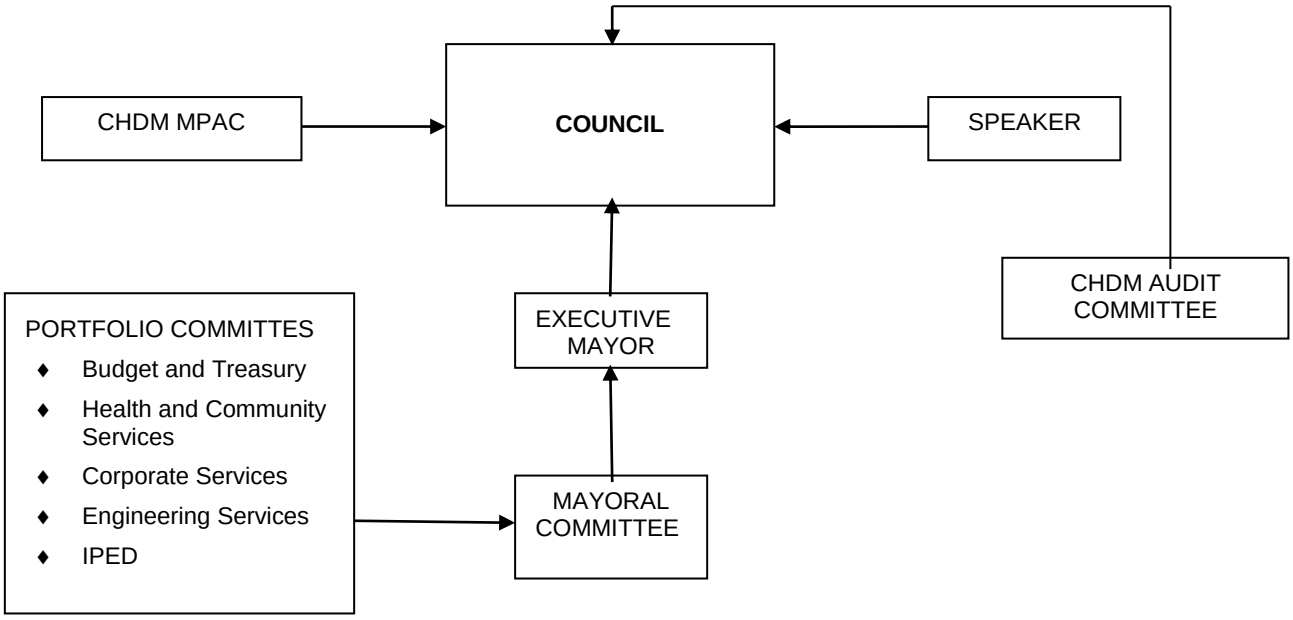
FUNCTION	CHRIS HANI DM	ENOCH MGIJIMA LM	INTSIKA YETHU LM	ENGCOBO LM	SAKHISIZWE LM	EMALAHLENI LM	INXUBA YETHEMBA LM
Air pollution	Yes	Yes	Yes	Yes	Yes	Yes	**Yes**
Building regulations	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Child Care facilities	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Electricity reticulation	N/A						
Fire Fighting	Yes	Yes	Yes	Yes	Yes	Yes	**Yes**
Local Tourism	Yes	Yes	Yes	Yes	Yes	Yes	**Yes**
Municipal Planning	Yes	Yes	Yes	Yes	Yes	Yes	**Yes**
Municipal Health Services	Yes	No	No	No	No	No	**No**
Municipal Public Transport	Regulation	Yes	Yes	Yes	Yes	Yes	**Yes**
Storm water	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Trading regulations	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Water (potable)	Bulk supply	Yes	Yes	Yes	Yes	Yes	**Yes**
Sanitation	Bulk supply	Yes	Yes	Yes	Yes	Yes	**Yes**
Billboards and the	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**

display of adverts in public places							
Cemeteries, Crematoria and funeral parlors	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Cleansing	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Control of public nuisances	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Control of undertakings that sell liquor to the public	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Fencing and fences	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Licensing and control of undertakings that sell food to the public	Yes	No	No	No	No	No	**No**
Local amenities	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Local sport facilities	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Markets	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Municipal abattoirs	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Municipal parks and recreational facilities	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Municipal roads	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Noise pollution	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Pounds	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Public places	N/A	Yes	Yes		Yes	Yes	**Yes**
Refuse removal, refuse dumps and solid waste disposal	Management of solid waste sites	Yes	Yes	Yes	Yes	Yes	**Yes**
Street trading	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**

Street lighting	N/A	Yes	Yes	Yes	Yes	Yes	**Yes**
Traffic and parking	N/A	Yes	Yes	yes	N/A	N/A	**N/A**
Licensing of vehicles	N/A	Yes	Yes	Yes	N/A	N/A	**N/A**
Road maintenance	Yes (Agent: DORT)	N/A	N/A	N/A	N/A	N/A	**N/A**
Libraries	**N/A**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**	**Yes**

POLITICAL GOVERNANCE

The Chris Hani District Municipality utilises the Mayoral Executive System where the exercise of executive authority is through the executive mayor in whom the executive leadership of the municipality is vested and who is assisted by a mayoral committee. The Council of CHDM has various Section 79 committees (the portfolio committees as well as the Municipal Public Accunts Committee [MPAC]) each chaired by a Councillor elected from within Council and an audit committee established in terms of Section 166 of the Municipal Finance Management Act. The Speaker of Council is the chairperson of Council, convenes and presides over Council meetings. The diagram bellow illustrates the political structure of the CHDM.



The CHDM Council has a total of 42 Councilors of which 25 are on Proportional Representation (PR) and 17 Councilors that are Direct Representatives from Local Municipalities within the District. Seven of the PR Councillors are members of the Mayoral Committee. There are also 07 Traditional (6 Males & 1 Female) Leaders that sits on a council which represent their areas. The table bellow depicts the composition of Council in terms of party representation of the PR Councillors:

The table below depicts the composition of Council in terms of party representation of the PR Councilors:

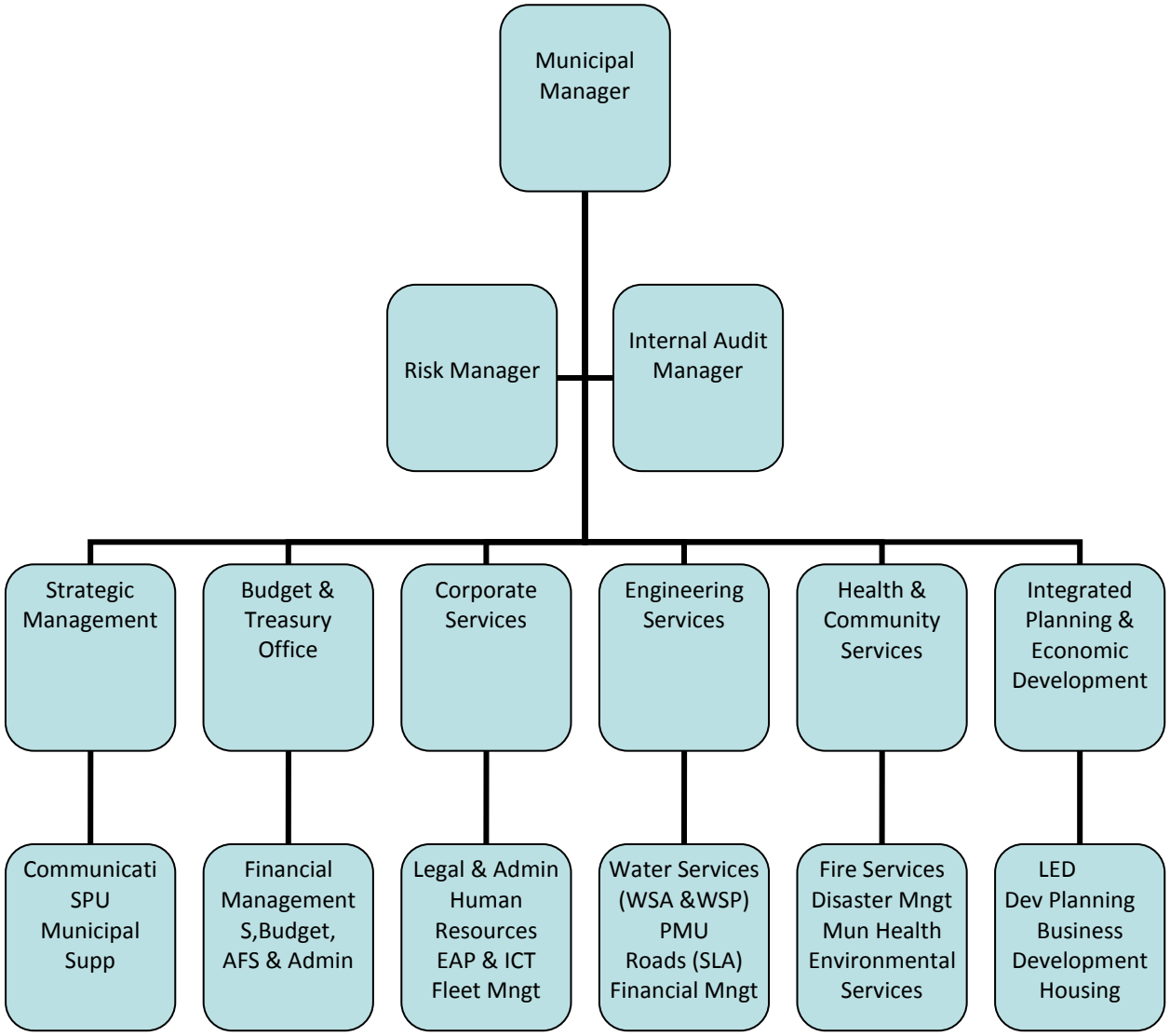
Councillor demographics and Political Parties

Political Party	Total Number of Councillors	Male Councillors	Female Councillors
ANC	32	13	19
DA	4	4	
EFF	2	1	1
UDM	4	2	2
Total	**42**	**20**	**22**

ADMINISTRATION

The Municipal Manager is the Head of the administration and Accounting Officer as defined in the Municipal Structures Act 117 of 1998. The responsibilities of the Municipal Manager include managing the financial affairs and service delivery in the municipality and is assisted and supported by the Chief Financial Officer and the Directors of respective departments as well as the Strategic Manager. The CFO, the Directors of the respective departments as well as the Strategic Manager are appointed in terms of Section 56 of the Municipal Systems Act. Currently one of these positions is not filled which Director IPED but institution is on a process of filling that vacancy. Positions are gender balanced as out of six Section 56/57 three are Males which include Municipal Manager and the other three are females. The political leadership and the administration complement each other to achieve the objectives of the IDP.

The diagrams below reflect the administrative structure of the institution.


Municipal Manager
Risk Manager
Internal Audit Manager
Strategic Management
Budget & Treasury Office
Corporate Services
Engineering Services
Health & Community Services
Integrated Planning & Economic Development
Communicati SPU Municipal Supp
Financial Management S,Budget, AFS & Admin
Legal & Admin Human Resources EAP & ICT Fleet Mngt
Water Services (WSA &WSP) PMU Roads (SLA) Financial Mngt
Fire Services Disaster Mngt Mun Health Environmental Services
LED Dev Planning Business Development Housing

HUMAN RESOURCE

The Municipality is committed to an efficient human resources system and has reviewed a number of policies to ensure the effective development, compliance and welfare of employees. Currently, the municipality has in its employment 643 workforce all with clear Job Description of whom majority are employed in the core departments which are Engineering Services, Health and Community Services and Integrated Planning and Economic Development. All these positions are funded by the institution. Out of a total number of employees there are also contract employees. All CHDM workforce including Councillors are guided by the Code of Conduct of the institution which was developed and adopted by council. The municipal organogram is reviewed annually as informed by objectives of the municipality within that financial year. The institution is also implementing an internship programme and has 33 Interns which are allocated within the district in all six local municipalities. All these interns are funded by EPWP.

The current approved organizational structure together with the proposed positions that will ensure attainment of the objective entailed in the IDP is attached at the back of the document for ease of reference. The process of prioritization, engagement, alignment and integration will be embarked on with all the relevant stakeholders.

Employment Equity

The Municipality strives to meet the Employment Equity targets to comply with the Employment Equity Act and redress past imbalances. 100 % of Section 57 employees are black (inclusive of African and Coloured) and 50 % of Section 57 employees are female.

The Council of the Municipality has developed and adopted an Employment Equity Plan for implementation in the financial year 2016 - 2017 with clear numeric targets to be achieved in each year of the plan. The reviewed plan is reviewed annually and adopted by council together with all other policies for implementation in the next financial year. Current demographics of the workforce in terms of gender representation are as follows: Males 483 and Females 143. The institution makes submissions to Dept of Labour around Equity targets.

Human Resources Policy Review

Human resources policies were approved by Council and are being implemented and some of them are to be developed and redone due to some gaps identified due to operational requirements and legislative imperatives. The need for development of new human resources policies has also been identified. Policies that are had just been adopted by council during the current financial year include the following, Subsistence & Travelling Policy, Study Assistance Policy, Skills Development Policy and Health and Risk Asssessment, OHS, Declaration of Interests, Staff Attraction and Retention Policy etc. All these are reviewed annually and are presented to all relevant stakeholders for inputs and comments. Amongst those still to be developed include Succession Plan Policy when need arises.

Work Place Skills Development Plan was adopted by Council for the financial year and is currently being implemented. A new WSP has been developed and submitted to Local Government Seta.

The Municipality also implemented a number of skills development-related programmes, which include:

- Implementation of the Workplace Skills Plan;
- Internships Programme
- Study Assistance Programme;
- National Treasury Minimum Competency Requirement

The Internships programme provided Graduates with practical learning experience from communities within Chris Hani area of jurisdiction. The Internship programme was made possible by the Engineering Department through the Expanded Public Works Programme which is funded by Public Works.

The municipality has implemented its approved Workplace Skills Plan in the previous financial year. One Hundred and Twenty Three [123] employees have received training within this financial year at a cost of R 784 947.710 during the mid-year. A total of nine [9] training interventions were implemented.

In line with the Government Gazzette No 29967 on Minimum Competency Level, the municipality has commenced with the implementation of the regulations in that:

- Managers and Senior Managers, Councillors were capacitated through Wits Business School

- 10 managers and 1 Councillor in the past were capacitated through the University of Fort Hare.

Internships, Learnership and Experiential Training

Out of one hundred and eighty [180] interns that we had in the past financial year, one hundred and four [104] unemployed graduates concluded their two year intership programme and 76 participants left the programme

before conclusion of the contract for various reasons. Currently there are fewer active interns within the institution and are receiving exposure in the working environment and provide assistance in service delivery. Five [5] Financial Interns were appointed in collaboration with the Provincial Treasury for a duration of two years.

Study Assistance for Employees

As part of building capacity of the workforce the District is providing study assistance to those employees who wish to further their studies. The above is of assistance to both the employee and the organization in that when the skills of employees are enhanced also the level of performance or productivity is also improved. Within this current financial year more than ten [10] employees have received assistance to further their studies in the following fields:

- Financial Field
- Engineering
- Human Resources
- Administration

LABOUR RELATIONS

The Labour Relations division is to foster degree of cooperation through various structures which are formed by its own internal stake holders and to minimize the causes of unnecessary conflict or restrictive practices and to maintain sound Labour relations between unions and management .i.e to create micro and macro institutional structures which seeks to address the institutional challenges. To enhance productivity of the organization through advising and having workforce which is informed about all work related issues.

Labour relations division has the authority to manage grievances, handling disciplinary hearings, facilitating Labour disputes and to facilitate local Labour forum

Disciplinary Hearings

The Labour Relations officer handles and provide services of prosecution on various cases within the district and also support LM's.

Local Labour Forum

There abovementioned structure serves as a consultative structure between labour and management and is functional. The structure is made up of Councilors, Managers and both two recognized union in the sector as prescribed in the Collective Agreement on Organizational rights which are SAMWU & IMATU.

EMPLOYEE ASSISTANCE PROGRAMME

The employee assistance programme is defined as a workplace programme designed to offer short term assistance to CHDM employees, managers, union and councillors in identification, prevention and treatment of personal, social and work-related challenges that may have a negative effect on the well-being and performance of the employees and councillors.

The wellness programmes has provided short term assessment, counselling and referral to 270 employees and councillors. Most of these interventions have yielded positive outcome in terms of improving employee

wellbeing, performance and interpersonal relations. Trauma group sessions were also provided for employees in high risks occupations such as disaster and fire.

These sessions equipped the workers with skills on how to deal with trauma experienced in their duties. Supervisor mentorship, coaching on how to identify and provide assistance to employees with personal challenges was conducted. These sessions has yielded positive outcomes in terms of improving relations between supervisors and employees.

In line with the National Health calendar, the institutional wellness calendar and strategy, the following educational and awareness programmes were implemented for employees and councillors:

- Financial wellness: budgeting, saving and debt management
- Healthy lifestyle: weight management and medical screening
- Marriages, relationships and interpersonal relations
- Substance abuse

Through these programmes 10% of the employees and councillors have managed to change their lifestyle habits for the better.

Team building programmes and healthy retirement programmes were provided to certain identified employees and Departments. Technical support to LMs was provided through the educational programmes and the wellness forum meetings.

The wellness strategy and policy has been reviewed in line with the identified needs of the employees and councillors. Substance abuse policy and strategy has been developed. On both these 2017-2022 Strategies will be developed in line with term of current council.

OCCUPATIONAL HEALTH AND SAFETY

The OHS Policy as adopted by council has been developed with key focus on Personal Protective Equipment and clothing, provision of safety measures and conditions for the employees and councillors. In line with compliance with the OHSA the following strides were achieved:

- Establishment and capacity building of the OHS workplace committee
- Training of She reps
- Installation of first aid kits in cars
- She awareness and educational programmes for high risks offices such as water and roads.
- Site inspections
- Provision of advise on compliance with OHSA to managers and the institution
- Provision of medical and administrative assistance to employees and councillors with injuries of duty.

CHALLENGES

- Delays in the Compensation fund in registering the claims for Occupational injuries
- Insufficient personnel to implement the programme
- Health risks assessments of high risks occupations
- Lack of medical aids for employees
- Management of incapacity and chronic illnesses

INFORMATION COMMUNICATION TECHNOLOGY

The mandate of the unit is to provide ICT services and support to the District Municipality and to provide secure, reliable and consistent platform for information accessibility. The vision of the unit is to be a strategic support unit with highly capacitated human and computer based resource (s) for enhancing municipal service delivery. The Mission to identity, provide, support and maintain, business system and solutions, IT Infrastructure and to provide sound governance on management of ICT. Legal framework of the function derives from the following,

- Constitutions of the Republic
- Municipal Systems Act
- MFMA
- SITA amendment (Act 38 of 2002)
- Promotion of Access to Information
- Electronic communications and Transaction Act (27 of 2002)

Key functions of the unit are :

- Ensure effective ICT governance
- Enable effective operation of the municipality's support functions by ensuring development, implementation and maintenance of appropriate systems.
- Provide the necessary, secure and sustainable infrastructure based on the most appropriate technology
- The Municipality needs access to accurate and timely information at all times for executive and management decision support
- To improve the management of 3rd party vendors (suppliers) by the efficient application of SLA's
- Increasing efficiency and effectiveness through continuing assessment, quality improvement and accountability to stakeholders
- To Support Local Municipalities in ICT related matters

ICT GOVERNANCE

CHDM Council towards end of 2013-2014 financial year has adopted an ICT Governance Charter (Framework) in order to have effective governance. The CHDM adopted Prince2 as an ICT project management methodology embedded in the ICT Governance Framework. Prince2 provides a structured framework for managing organizational projects and is not limited to ICT projects. The DM established an Information Communication Technology Steering Committee (ICTSC) with terms of reference. The ICTSC was established as a governance mechanism in line with generally adopted IT governance frameworks such as COBIT, COSO & King reports. The steering committee meets quarterly. Other ICT governance structures as outlined in the ICT Governance Framework, namely the Business Architucture Forum and Information Security forums are to be established.

The following ICT policies were approved by Council and are implemented.

- ICT Network Policy and Plan
- Disaster Recovery Policy and Plan
- Internet, Email and Intranet usage policy
- Computer Equipment Acquisition policy

The latter two are due for review:

- ICT Risk Management Policy
- Mobile Device Management Policy

The Information and Communication Technology Strategic Plan has been developed and awaiting Council approval. The strategic plan is underpinned by the ICT governance Framework that Council approved together with industry best practices. The strategic plan, which will be implemented in 2017/18 financial year will ensure alignment of technology initiatives with the business of the municipality and create an enabling technology environment. The main focus in implementation of the plan in 2017/18 will be integration of the ICT organization and integration of ICT systems within the District Municipality.

NETWORK INFRASTRUCTURE AND SECURITY MANAGEMENT

The District Municipality has 5 remote sites that are connected by a wireless network. The unit maintains the network infrastructure to ensure a robust network with minimum downtimes. An ICT network audit is conducted every two years and a report is produced with recommendations to ensure that the network infrastructure meets at least minimum industry standards and security measures are in place. The CHDM revamped its main server room to ensure compliance with required server room industry standards. The server room at Bells road has since been moved to the 1st floor and revamped to meet sever room industry standards.
The District Municipality has a Service Level Agreement with a Service Provider to provide second line support to the unit and a contract with a wireless infrastructure service provider to ensure minimum system downtimes. A contract has been signed with Telkom to provide VPN supreme service which is a WAN solution managed and maintained by Telkom with improved scalability, flexibility and reliability attached to a Service Level Agreement.

INFORMATION SECURITY, ACCESSABILITY AND MANAGEMENT

The District Municipality has a website with address www.chrishanidm.gov.za managed by the communication section. The CHDM also has an intranet for internal access to information and systems. The Disaster Recovery Plan (DRP) is in place and implemented in phases. A disaster recovery site was established at the disaster management center. The CHDM will be acquiring the services of a Cloud services provider as the next implementation phase of the DRP to further ensure Business Continuity in case of a disaster. The CHDM is in the process maximizing the use of SharePoint portal to use its Document Management capabilities to ensure that the DM has an Electronic Document Management System (EDMS) to ensure compliance. The District Municipality ensures that it keeps up with the latest in terms of Microsoft application. The District upgraded its Microsoft Office from Office 2007 to the latest Microsoft Office 2013. An upgrade training was undertaken to avoid frustration on the users and the ICT unit in terms of support.

Legal and Admin Function

The mandate of this unit is to provide is to manage administration and legal services. The unit also provide legal support service to senior management, departments and Council on the exercise of powers and functions and decision making through analysis and evaluation of attitudes of the municipality. It's governed by the following legal framework, Municipal Systems Act, Municipal Finance Management Act, Constitution of the Republic of South Africa, High Court Rules, and Magistrate's Court Rules. To ensure security within the institution Biometrics were installed in buildings to ensure safety of employees and councillors and safety plan is in place in implemented. On legal matters, Legal claims register is monitored and updated continuously as a well as some matters of litigation between CHDM and some other parties do take place, key being SAMWU who represent its members challenging the institution.

Workshop on litigations for managers was conducted by a registered firm who are our attorneys of record for purposes of equipping them. Matters of council are fairly attended as Council resolution register is continuously updated and the IT Software will be installed by Business Connexion. Developed council calendar, council diary and council resolution register.

Fleet Management

The unit of is responsible for Management of Fleet of the institution as a result Reviewed Fleet management policy is implemented and monitoring is continuously done, 95% pass rate of employees who were taken to Enoch Mgijima driving licence testing centre, for evaluation of their driving skills before using council vehicles. The institution has bought more than 100 vehicles which are dispersed to LM Satelites for utilisation by Water Services which is our key function.

RECORDS MANAGEMENT

Facilitation of disposal of old records in line with legislation was done. 50% of unsuccessful applications for employment from 2008 to 2011 were disposed. Electronic Document Management System will be installed by in the institution by remain a challenge.

2.4.4 MUNICIPAL FINANCIAL VIABILITY and MANAGEMENT

The Municipal Finance Management Act 56 of 2003 (MFMA) prescribes that the Council of a municipality must for each financial year approve an Annual Budget for the municipality before the start of that financial year. Section 16 (2) of the same Act stipulates that in order for the municipality to perform what is prescribed, the Mayor of the municipality must table the Annual Budget at a Council meeting at least 90 days before the start of the financial year. The processes involved during the 90 day period enable transparent engagements amongst the Communities, Councilors, the Executive and Administration to finalize the budget. The consultative and Public Participation processes also promote oversight over the adoption and implementation of the budget. The departmental budget statements provide Council with information on how different departments within Chris Hani District Municipality (CHDM) intend to spend the funds that will be appropriated by Council, to enable Council and communities keep departments accountable for their delivery commitments contained in the Service Delivery Budget Implementation Plans (SDBIP) and to ensure that Council Committees effectively perform their oversight functions.

1. **REVENUE MANAGEMENT**

Chris Hani District Municipality is 100% Grant dependent. Our major source of revenue is on Water as a Water Services Authority and Water Services Provider. This function was in the past been done by LM through contract signed as LMs were given WSP function, this has since been overturned due to end of contract or agreement. Collection rate is very minimal as most of our communities are indegent and therefore not paying for services. We have received a support from COGTA through their Municipal Infrastructure Support Agency (MISA) which is assisting us in reviewing our Revenue Enhancement Strategy. The Revenue Enhancement Strategy is therefore implemented but due to above mentioned challenge of indegency we still face some difficulties on Revenue enhancement. Revenue Enhancement Strategy is to ensure that we assist the Municipaality to improve revenue collection. By 2015/16 Collection rate at was very minimal due to some challenges experienced as e had just taken back the WSP function. This will inform the municipality on ways of addressing recovery and enhancing revenue through

- Billing
- Enforcement of By –laws
- Data Cleansing
- Reviewal and implementation of revenue related policies

- Management of indigent consumers
- Installation of Meters

The major sources of revenue consist of:

Operational Grants

- Equitable Share
- Finance Management Grant (FMG)
- Municipal Systems Improvement Grant (MSIG)
- Expanded Public Works Programme (EPWP)
- Rural Roads Asset Management Grant

Other Operational Programs

- Roads Subsidy
- Working for Water
- Lapesi Program

Capital Grants

- Municipal Infrastructure Grant (MIG)
- Regional Bulk Infrastructure Grant (RBIG)
- Municipal Water Infrastructure Grant (MWIG)
- Rural Household Infrastructure Grant (RHIG)
- Water Services Operating Grant (WSOG)

Other Capital Programs

- Accelerated Community Infrastructure Program (ACIP)
- Department of Housing Unblocking Program

There are other incomes sources which are not significant are listed below

- Interest from investment
- Rental Income

1.1 WATER AND SANITATION TARIFFS

CHDM is in a process of developing New Tarriffs for the year 2017-2018 financial year, such Tarriffs will undergo all required stages before being adopted by Council.

The Chris Hani District Municipality as a Water Services Authority and Provider delivers the service in the area of the six (formerly eight) local municipal areas within its jurisdiction.

The National Treasury is encouraging all Municipalities to implement tariff structure that reflect the following;

- Water tariffs that are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs that are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs that are designed to encourage efficient and sustainable consumption.

Chris Hani District Municipality as a Water Services Provider therefore has to raise sufficient own revenue from the rendering of water and sanitation services. Since the municipality has not increased the water and sanitation tariffs for past two years, the level of own revenue raised from the service is not sustainable to maintain, repair and ensure the sustainability of the water infrastructure assets that should generate a revenue base for the municipality in order to cover operational and capital costs. The proposed tariff increase below is based on the guidelines provided by the National Treasury for the 2017/2018 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK. In terms of the proposal, the increase should be linked to the consumer price index (CPI) which is estimated to be 6.1% for 2016/ 2017.

The tariff will be applicable for the following period; Starting date: 01 JULY 2017 and ending date: 30 JUNE 2018

1. **TARIFFS: WATER SUPPLY SERVICES AND INCIDENTAL CHARGES**

The amounts due for water services for the 2017/2018 financial year be paid on dates as indicated on accounts which will be rendered from 1 July 2017.

- The Sewerage Charges will be linked to the account where either a waterborne sewer connection or septic tank sewer is available.
- Reference to “per month” in the tariffs is based on a meter reading period of 30 days with regard to the calculation of a charge for the free consumption portion.
- Use is the determining factor for tariff application but where a mixed use occurs on any given property the property zoning will be the determining factor in the tariff Application.
- ALL TARIFFS LISTED BELOW OR TO BE CALCULATED IN TERMS OF THIS SCHEDULE OF TARIFFS **INCLUDE VAT.**

2. **WATER TARIFFS**

Charges shall be levied in respect of each separate connection for water. The tariffs relating to consumption of water will be levied as from 01 July 2017 on all accounts linked to water and accounts opened after July 2017 will be levied for the applicable period of the year.

3. **SANITATION TARIFFS**

A flat rate shall be levied in respect of each household / business / institution relating to sanitation. The tariffs applicable for sanitation services shall apply from 01 July 2017 and accounts opened after July 2017 will be levied for the applicable period of the year.

4. **CONSUMPTION TARIFFS BASED ON WATER RELATED SERVICES**

The tariffs listed under this section shall be payable where water, used solely for household purposes, including temporarily connections for this purpose, has been supplied. In the case of hostels and old age homes, every 4 beds shall be deemed to be a residential unit. Where the Housing Department officially accommodates two or three beneficiaries (families) per stand, each beneficiary (family) is deemed to be a residential unit.

4.1 Domestic / Household Water Use

This tariff is only applicable to properties used exclusively for household purposes.

In the event that a small business is conducted as a primary right in terms of a Town Planning Scheme, or home enterprise in terms of the Council's policy, from a property used for household purposes, and the connection size is either a 15mm or 20mm connection, the tariffs in the table below shall apply. However, any connection which is greater than 20mm and the property is not exclusively used for residential purposes, shall be charged in terms of the tariffs. Spaza Shops, defined as an area of a dwelling unit and or associated immovable outbuilding not more than 20m² in extent, used by the occupant of such a dwelling unit for the purposes of selling basic household goods, is also included in this tariff, provided the connection size is either a 15mm or 20mm connection.

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Water Consumption (Domestic/Household use)			
0-6	8.66	0.53	**9.19**
7-15	10.02	0.61	**10.63**
16-30	12.28	0.75	**13.03**
31-45	15.29	0.93	**16.22**
46-60	16.70	1.02	**17.72**
61 or more	18.85	1.15	**20.00**

4.2 Institutional Water Use: Welfare Organizations, Government Schools Institutional Public Hospitals, Churches

Public Benefit Organizations, Non-Governmental Organizations and Cultural Organizations approved in terms of section 30 of the Income Tax Act 58 of 1962, read with items 1, 2 and 4 of the ninth Schedule to the Act; Welfare organizations registered in terms of the National Welfare Act, 1978 (Act No 100 of 1978), State Assisted Public Schools or Colleges, Public Hospitals and Churches.

The tariff payable in terms of this item is as follows:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Water Consumption (Institutional, etc)			
0-200kls per month	10.24	0.62	**10.86**
201-2500 kl per month	11.32	0.69	**12.01**
2501 or more kl per month	12.39	0.76	**13.15**

4.3 Business and Other Water Uses

The tariffs listed in this item are payable in respect of all uses not listed in items 4.1 and 4.2.

These tariffs apply to e.g. the following uses: business, commercial, industrial, government, mining, private schools, crèches, sport clubs including sport clubs whose lease agreements with Council have expired, private hostels, private hospitals and clinics, agriculture, temporary connections for building or business use, fire hydrant use, including Council owned properties, where the usage is not defined as in paragraphs 4.1 and 4.2

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Water Consumption (Business & other use)			
0 – 5 000 kl / month	13.14	0.80	**13.94**
5001 -25000 kl / month	13.36	0.81	**14.17**
25 001- 50000 kl/month	13.57	0.83	**14.40**
50 001- or more kl / month	13.57	0.83	**14.40**

The tariffs listed in this item shall be levied in respect of each water connection provided to the premises on which a use as intended in this item is being exercised. The relevant tariffs listed in this item shall be levied accumulatively.

4.4 Un-metered and/or Unread Water Meter Connections

Tariffs payable in respect of un-metered and/or unread connections where the Water Supply By laws of the Council do not provide an alternative method for calculating consumption or estimating consumption for purposes of interim charges:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Water Consumption (no meter/unread meter) - Flat Rate (Per Month)			
Domestic/Household	91.00	5.55	**96.55**
Institutional	118.30	7.22	**125.52**
Business & other	127.40	7.77	**135.17**

4.5 Minimum Basic Charges / Availability of Water Infrastructure

Any premises, including vacant stands, where Council Water Supply is available, but the supply is not directly connected to the Council's water reticulation system, the monthly minimum basic charge / availability charge below will be levied until such time that the relevant premises including vacant stands, have been connected where after the tariff sliding scale in item 4.1 will apply for households, the tariff sliding scale in item 4.2 will apply for institutions and the tariff sliding scale in item 4.3 will apply for businesses.

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Water Basic (Availability) – Per Month			
Domestic/Household	91.00	5.55	**96.55**
Institutional/ Government	118.30	7.22	**125.52**
Business	127.40	7.77	**135.17**

4.6 Flow Restriction/Water Consumption Management Meter

4.6.1 Properties used exclusively for household purposes as defined in 4.1: For as long as a flow restriction/water consumption management meter implemented by the Head of Department: Water and Sanitation or his nominee in respect of the supply of water to the relevant premises applicable, the relevant tariff listed as per 4.1 shall be payable:

4.6.2 Registered Indigent Account Holders as defined in the Indigent Policy: If so requested by a registered indigent account holder, or deemed necessary by the Head of Department:

Water and Sanitation or his nominee, a flow restrictor/water consumption management meter can be installed on the premises, subject to such Indigent being registered in terms of the Council's Indigent Policy:

The registered indigent will receive the allocated 6 kl free basic water per month on a monthly pro rata basis where after the tariff in 4.1 will be applicable

4.7 Private Internal Water Leaks (Households/Domestic)

In case of exceptionally high meter readings of water consumption in households, due to leaks from a private internal pipeline, the Council, may determine that the excess consumption be levied at **R9.27** per kilolitre for a maximum period of 91 days, the commencement date of such period to be determined in the entire discretion of the council. A reduction in consumption is required as well as proof of the leak been rectified as substantiated by a plumber's letter of confirmation of leak being fixed or affidavit from the consumer which must be submitted to the municipality within 90 days after repair of the leak.

4.8 Service Audit

4.8.1 Where a service audit identifies residential and agricultural zoned properties used for business purposes, the adjustment to service charges from residential to business use will be effected from the date the audit was conducted.

4.8.2 The water consumption in government subsidized housing scheme areas identified through a service audit in respect of water meters not being incorporated in the Council's records will be calculated from the date the error was detected, provided a reading was obtained on such a date.

4.9 Utility Services – Water Tariffs (Water Delivery)

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
UTILITY SERVICES - WATER TARIFFS (WATER DELIVERY)			
Domestic / Households			
Tariff per load	400.00	56.00	**456.00**
Commercial - per Load			
Water supplied to premises predominantly of a commercial nature	400.00	56.00	**456.00**
Industrial - Per Load			

Water which is used in manufacturing, generating electricity, land-based transport, construction or any related purpose	400.00	56.00	**456.00**
Government - Per load			
National and Provincial Departments	400.00	56.00	**456.00**
Schools / Sport Bodies / Churches / Charities – Per Load			
Any educational activity / sporting activity / religious activity / charitable activity	400.00	56.00	**456.00**
Homeless people shelters / Homes catering for physically or mentally challenged individuals - Per kl per person			
Homeless people shelters/ homes catering for the health of physically or mentally challenged individuals, including HOMAC accredited children's homes, registered with council on an annual basis. A sworn affidavit must accompany the application indicating the number of people normally accommodated at the facility			
Step 1 (0 to 1.5kls)	-	-	**-**
Step 2 (above 1.6kls)	12.61	0.77	**13.38**
Additional Charges			
Labour - Charged per person	44.90	2.74	**47.64**
Travel Expenses - Charged per kilometer	8.00	0.49	**8.49**

5. CONNECTION PIPES, WATER CONNECTIONS INCLUDING FIRE CONNECTIONS OR UPGRADING OF SUCH CONNECTIONS, METERING OF UNMETERED CONNECTIONS AND METERING OF UNMETERED FIRE CONNECTIONS USED ILLEGALLY

The following tariffs or charges are payable in respect of the installation of connection pipes, water connections including fire connections or upgrading of such connections, the metering of unmetered connections and where existing unmetered fire connections are unlawfully used.

In the latter case the Council reserves the right to change the water supply installation to a meter installation metered by a combination meter as sized by the Council and to recover the appropriate cost as listed in 5.1.1 from the owner. **(All tariffs include Vat).**

5.1 Where a water or fire hydrant connection is supplied:

(Note: Only combination meters are to be installed for connections larger than 25mm up to 150mm.)

5.1.1 Combination meters

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Water Combination Meters Connections (Where water or fire hydrant connection is supplied)			
50mm	32,991.00	2,012.45	**35,003.45**
80mm	35,978.00	2,194.66	**38,172.66**
100mm	44,222.00	2,697.54	**46,919.54**
150mm	70,188.00	4,281.47	**74,469.47**

5.1.2 Normal meters and Water Consumption Management meters. (WCM).

It is currently CHDM policy to only install WCM meters and the charges for normal meters are only included should the policy revert back to normal mechanical meters.
Installation, including a standpipe, the connection into the reticulation pipeline, connection pipe to meter, isolating valve, meter, meter box with connecting pipe extending to boundary line and / or entrance to stand. (Road crossing included).

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Main Meter Connection (incl road crossing)			
15mm	2,271.00	138.53	**2,409.53**
15mm WCM	3,269.00	199.41	**3,468.41**
25mm	4,238.00	258.52	**4,496.52**

The installation of a Water Consumption Management meter is at the discretion of the Department: Water and Sanitation.

5.1.3 Full Installation by Council

Which includes a standpipe, the connection into the reticulation pipeline, connection pipe to meter, isolating valve, meter, meter box with connecting pipe extending to boundary line and *I* or entrance to stand, (Road crossing excluded – refer paragraph 6):

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Main Meter Connection (excl road crossing)			
15mm	1,729.00	105.47	**1,834.47**
15mm WCM	2,767.00	168.79	**2,935.79**

The installation of a Water Consumption Management meter is at the discretion of the Head of Department: Water and Sanitation.

6. ILLEGAL CONNECTIONS AND/OR CONSUMPTIONS AND DAMAGES TO SERVICES

Fines for the Illegal use of fire connections and/or use of unauthorized connections / consumption, calculated as fees per unit (Household / Business) representing water consumption and related administration costs, and fees per incident representing water consumption and related administration costs in the case of illegal activities relating to damages to services:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
ILLEGAL CONNECTIONS AND/OR CONSUMPTIONS AND DAMAGES TO SERVICES			
Fines for the Illegal use of the fire connection and/or use of unauthorized connections / consumption:			
DOMESTIC	5,006.00	305.37	**5,311.37**
BUSINESS	10,201.00	622.26	**10,823.26**
Fines for other illigal activities relating to damages to services			
Unauthorized usage by vehicles such as tankers	13,800.00	841.80	**14641.80**

6.1 OTHER ILLEGAL ACTIVITIES RELATING TO DAMAGES TO SERVICES

Fees calculated per incident:

Any damages to the network or connections: Actual Cost of Repairs + Cost of Water Loss + 15 % Administration Fee

Neglect by an owner to repair a leaking fire connection within 48 hours after notification in terms of the CHDM Policy:

Actual Cost of Repairs + 15 % Administration Fee

7. CHARGES IN RESPECT OF SERVICES FOR WHICH NO TARIFFS ARE LISTED

In cases where a connection to or service in respect of the water system is required and for which a charge has not been listed above, the party applying for such connection or service shall pay:**The Cost of such work + an Administration Fee of 15%**, such cost to be determined by the Head of Department: Water and Sanitation or his nominee in advance and such cost to be paid in advance.

8. READING OF METERS ON REQUEST

Should a person require that a meter be read at any time other than the time appointed by the Head of Department: Water and Sanitation or his nominee, a charge shall be paid in advance for each such reading:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
READING OF METERS ON REQUEST FROM CONSUMER			
READING METERS	236.00	14.40	**250.40**

9. DISCONTINUATION AND RESTRICTION OF WATER SUPPLY AS CREDIT CONTROL MEASURE AND RE-INSTATEMENT OF SUPPLY

In the event of the water supply to a premises being cut off or restricted as a credit control measure, the consumer will be charged the following tariffs:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
DISCONTINUATION AND RESTRICTION OF WATER SUPPLY AS A CREDIT CONTROL MEASURE AND RE-INSTATEMENT OF SUPPLY			
Domestic / Households Usage			
To deliver by hand at the premises being supplied with water, a notice addressed to the consumer instructing the consumer to settle the account within 14 days from the date of the notice: No proof of delivery required	78.00	4.76	**82.76**

To install Water Consumption Management meter in order to restrict the flow through the connection to 30 kI or less per month - applicable to 15mm connection	2,691.00	164.15	**2,855.15**
To disconnect the water supply by removing the connection pipe and *I* or T piece or meter	836.00	51.00	**887.00**
To adjust the Water Consumption management meter in order to re-instate full flow to the premises - applicable to 15mm connection	439.00	26.78	**465.78**
Business & Other Usage			
To deliver by hand at the premises being supplied with water, a notice addressed to the consumer instructing the consumer to settle the account within 14 days from the date of the notice: No proof of delivery required	78.00	4.76	**82.76**
To terminate the water supply	836.00	51.00	**887.00**
To re-instate the water supply	836.00	51.00	**887.00**
To install Water Consumption Management meter in order to restrict the flow through the connection to 30 kI or less per month	2,691.00	164.15	**2,855.15**
To adjust the Water Consumption Management meter in order to re-instate full flow to the premises	439.00	26.78	**465.78**
To disconnect the water supply by removing the connection pipe and *I* or T piece or meter	836.00	51.00	**887.00**

10. DAMAGES TO THE MUNICIPAL WATER PIPE SYSTEM AND/OR WATER INSTALLATIONS

Any damages to the municipal pipe system and/or installation: Actual Costs of Repairs + Cost of Water Loss calculated as follows:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
DAMAGES TO THE MUNICIPAL WATER PIPE SYSTEM			
Pipes with diameter 50mm or less	6,111.00	372.77	**6,483.77**
Pipes with diameter between 50mm and 100mm	12,223.00	745.60	**12,968.60**
Pipes with diameter between 100mm and 250mm	18,334.00	1,118.37	**19,452.37**
Pipes with diameter between 250mm and 400mm	24,446.00	1,491.21	**25,937.21**
Pipes with diameter between 400mm and 700mm	48,892.00	2,982.41	**51,874.41**
Pipes with diameter greater than 700mm	67,226.00	4,100.79	**71,326.79**

11. TARRIFFS FOR SECURITIES / DEPOSITS PAYABLE ON OPENING OF NEW WATER & SANITATION SERVICES ACCOUNTS:

	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
DEPOSITS / SECURITIES			
OPENING OF NEW WATER & SANITATION SERVICES ACCOUNT			
Domestic / Household	400.00	24.40	**424.40**
Business / Institutions & Other	1,067.00	65.10	**1132.10**

12. TARIFFS RELATING TO SANITATION RELATED SERVICES

12.1 MONTHLY FLAT RATE SANITATION TARIFFS:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
SANITATION			
Basic Charge per Month (Flat Rate)			
Domestic / Households	R 59.96	R 3.66	**R 63.62**
Business	R 98.84	R 6.03	**R 104.87**
Government	R 99.77	R 6.09	**R 105.86**
Churches, Hotels, Schools & Hospitals	R 94.13	R 5.74	**R 99.87**

12.2 OTHER SANITATION RELATED TARIFFS:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
SANITATION			
Night-soil Removals per load			
Night-soil removals (Buckets)	R 65.66	4.00	**69.66**

New Sewer Connection			
100mm Sewer Connection	R 1,250.00	76.25	**1,326.25**
150mm Sewer Connection	R 1,540.00	93.94	**1,633.94**
Unblocking of Drains			
Domestic	R 109.34	6.66	**116.00**
Business	R 195.97	11.95	**207.92**
Government	R 215.57	13.15	**228.72**

12.3 Sewerage Tariffs

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
SANITATION			
Sewerage charges (waterborne sewer system)			
Domestic / Households Full - Standard			
Single residential properties- 70% of water consumption to a maximum of 35kl of sewerage per month (70% of 50kl water = 35 kl of sewerage)			
Step 1 (0to 4kl) - Per kl	7.84	0.48	**8.32**
Step 2 (4.1kl to 7.35kl) - Per kl	8.21	0.50	**8.71**
Step 3 (7.36kl to 14 kl) - Per kl	15.46	0.94	**16.40**
Step 4 (14.1 kl to 24.5 kl) - Per kl	16.90	1.03	**17.93**
Step 5 (24.6kl to 35 kl) - Per kl	17.74	1.08	**18.82**
Commercial - Standard - Per kl			
95% of water consumption	10.96	0.67	**11.63**
Industrial - Standard - Per kl			
95% of water consumption	10.96		**11.63**

		0.67	
Government - Standard - Per kl			
National / Provincial – 95% of water consumption	10.96	0.67	**11.63**
Schools / Sport Bodies / Churches / Charities - Standard - Per kl			
Any educational activity / sporting activity / religious activity / charitable activity	10.96	0.67	**11.63**
Miscellaneous - Standard - Per kl			
All consumers who do not fall within the above categories	10.96	0.67	**11.63**
Homeless people shelters / Homes catering for physically or mentally challenged individuals - Standard - Per kl per person			
Homeless people shelters/ homes catering for the health of physically or mentally challenged individuals, including HOMAC accredited children's homes, registered with council on an annual basis. A sworn affidavit must accompany the application indicating the number of people normally accommodated at the facility			
Step 1 (0 to0.6 kls)	-	-	**-**
Step 2 (above 0.6kls)	10.09	0.62	**10.71**
Old Aged Homes as defined			
Registered old aged homes as defined. A sworn affidavit must accompany the application indicating the number of people normally accommodated at the facility			
Step 1 (0 to0.6 kls)	-	-	**-**
Step 2 (above 0.6kls)	10.09	0.62	**10.71**

12.4 Septic tank clearance

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
Septic Tank Clearing			

UTILITY SERVICES - SANITATION TARIFFS (SEWERAGE REMOVAL)			
Domestic / Households Full - Standard			
Septic tank clearing per load	400.00	56.00	**456.00**
Commercial - per Load			
Water supplied to premises predominantly of a commercial nature	400.00	56.00	**456.00**
Industrial - Per Load			
Water which is used in manufacturing, generating electricity, land-based transport, construction or any related purpose	400.00	56.00	**456.00**
Government - Per load			
National and Provincial Departments	400.00	56.00	**456.00**
Schools / Sport Bodies / Churches / Charities – Per Kl			
Any educational activity / sporting activity / religious activity / charitable activity	12.61	1.77	**14.38**
Additional Charges (for all the above categories)			
Labour - Charged per person	44.90	2.74	**47.64**
Travel Expenses - Charged per kilometer	8.00	0.49	**8.49**

13. TARRIFFS FOR MUNICIPAL HEALTH SERVICES/ ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES

13.1 CERTIFICATES

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1%)	CHDM Proposed Tariff after CPIX (6,1%) Increase for 2017/2018

MUNICIPAL HEALTH SERVICES / ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES			
CERTIFICATES			
Certificate of Acceptability (CoA) (FCD Act)			
New Application	R 250	R 15.25	**R 265.25**
Review	R 100	R 6.10	**R 106.10**
Renewal	R 100	R 6.10	**R 106.10**
Certificate of Unsound Foodstuffs (Condemns Certificate)	R200/hour	R12,20/hour	**R212,20/hour**
Health Certificate (HA) (H. Act)			
New Application	R 150	R 9.15	**R 159.15**
Review	R 100	R 6.10	**R 106.10**
Renewal	R 100	R 6.10	**R 106.10**
Certificate of Competence (CoC) (H. Act)			
New Application	R 250	R 15.25	**R 265.25**
Review	R 100	R 6.10	**R 106.10**
Renewal	R 100	R 6.10	**R 106.10**
Application for Exhumations and Re-Burials	R 250	R 15.25	**R 265.25**
RE-Issue of Certificates			
New Application	R 100	R 6.10	**R 106.10**
Review	R 100	R 6.10	**R 106.10**
Renewal	R 100	R 6.10	**R 106.10**
Request for Re-Inspection or Special Inspections	R 200	R 12.20	**R 212.20**
Illegal Transport of Foodstuffs (FCD Act)	R 200	R 12.20	**R 212.20**
Application for Selling of Foodstuffs during Public Events	R 100	R 6.10	**R 106.10**
Meat Safety Inspections (MS Act)	R250/hour	R15.25/hour	**R265.25/hour**

13.2 VECTOR CONTROL

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
MUNICIPAL HEALTH SERVICES / ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES			

VECTOR CONTROL			
Vector control per occurrence	R 300.00	18.30	**318.30**

13.3 ENVIRONMENTAL POLLUTION CONTROL

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
MUNICIPAL HEALTH SERVICES / ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES			
ENVIRONMENTAL POLLUTION CONTROL			
Waste water spillages	R 500	30.50	**530.50**
Noise control			
Residential	R 500	30.50	**530.50**
Commercial	R 600	R 36.60	**636.60**

13.4 ATMOSPHERIC EMISSIONS LICENCES

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1%)	CHDM Proposed Tariff after CPIX (6,1%) Increase for 2017/2018
MUNICIPAL HEALTH SERVICES / ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES			
ATMOSPHERIC EMISSIONS LICENCES			
1 unit of listed activities			
New Application	R 1,500.00	R 91.50	**R 1,591.50**
Review	R 1,000.00	R 61.00	**R 1,061.00**
Renewal	R 1,000.00	R 61.00	**R 1,061.00**
Transfer	R 500.00	R 30.50	**R 530.50**
2 to 5 units of listed activities			
New Application	R 2,500.00	R 152.50	**R 2,652.50**
Review	R 1,500.00	R 91.50	**R 1,591.50**

Renewal	R 1,000.00	R 61.00	**R 1,061.00**
Transfer	R 500.00	R 30.50	**R 530.50**
6 to 10 units of listed activities			
New Application	R 3,500.00	R 213.50	**R 3,713.50**
Review	R 2,500.00	R 152.50	**R 2,652.50**
Renewal	R 1,000.00	R 61.00	**R 1,061.00**
Transfer	R 500.00	R 30.50	**R 530.50**
11 and more units of listed activities			
New Application	R 4,500.00	R 274.50	**R 4,774.50**
Review	R 3,500.00	R 213.50	**R 3,713.50**
Renewal	R 1,000.00	R 61.00	**R 1,061.00**
Transfer	R 500.00	R 30.50	**R 530.50**

13.5 WATER QUALITY – LABORATORY

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1%)	CHDM Proposed Tariff after CPIX (6,1%) Increase for 2017/2018
MUNICIPAL HEALTH SERVICES / ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES			
WATER QUALITY - LABORATORY			
BACTERIOLOGICAL ANALYSIS			
E .coli (count/100ml)	R 92.00	R 5.61	**R 97.61**
Faecal Coliform Count (count/100ml)	R 75.00	R 4.58	**R 79.58**
PHYSICAL & ORGANOLEPTIC ANALYSIS			
pH	R 20.72	R 1.26	**R 21.98**
Turbidity	R 12.25	R 0.75	**R 13.00**
Electrical Conductivity	R 16.87	R 1.03	**R 17.90**
Chlorine	R 6.45	R 0.39	**R 6.84**
Total Dissolved Solids (TDS)	R 41.65	R 2.54	**R 44.19**
Suspended Solids	R 31.36	R 1.91	**R 33.27**

CHEMICAL ANALYSIS						
Fluoride	R	70.22	R	4.28	**R**	**74.50**
Nitrate	R	88.26	R	5.38	**R**	**93.64**
Ammonia	R	67.20	R	4.10	**R**	**71.30**
Chemical Oxygen Demand (COD)	R	140.00	R	8.54	**R**	**148.54**
Phosphate	R	74.93	R	4.57	**R**	**79.50**
Sulphate	R	70.22	R	4.28	**R**	**74.50**

14. PROPOSAL TO IMPLEMENT ADDITIONAL TARIFFS FOR FINES ON ENVIRONMENTAL IMPACT RELATED ACTIVITIES AND SERVICES RENDERED

PROPOSAL TO IMPLEMENT ADDITIONAL TARIFFS FOR FINES ON ENVIRONMENTAL IMPACT RELATED ACTIVITIES AND SERVICES RENDERED		
PROPOSAL FOR FINES ON ACTIVITIES HAVING AN ENVIRONMENTAL IMPACT - LAW ENFORCEMENT OFFICERS (EHP'S)		
Environmental Pollution – (Municipal Boundaries) - Relating to Environmental pollution created during protest Action	R	20,000.00
Air pollution - Residential	R	2,500.00
Air pollution – Commercial	R	5,000.00
Trading without COA (Certificate of Acceptability)	R	250.00
Environmental pollution (Waste Water)	R	10,000.00
Illegal transport of Meat	R	250.00
Illegal transport of Milk	R	250.00
Illegal keeping of Animals	R	500.00
Illegal trading – Pesticides / Chemicals	R	250.00
PROPOSAL FOR ADDITIONAL TARIFFS FOR SERVICES RENDERED		
Issuing of Water & Sanitation Clearance Certificates	R	150.00
RE-Issuing of Water & Sanitation Clearance Certificates	R	100.00
Re-Connection/Re-Activation of Water Meter (Change in ownership/user)	R	350.00
Sewerage 'Dump'/'Deposit' into CHDM Waste Water Treatment Works (per dump/deposit)	R	400.00

2. FINANCIAL REPORTING AND BUGETING

Financial Reporting is done on a monthly basis internally to the Finance, Audit, Mayoral and Council Committees, externally the finance reporting is made to National Treasury and the various transferring departments like COGTA, DWA, Department of Roads and Transport and any other departments that we are performing agency functions for.

In the previous years we have encountered a lot of challenges when it comes to financial reporting but that has since been resolved with the assistance from National Treasury through their CFO support program which has assisted in eradicating the backlog we had on financial reporting and constant training on reporting performed by Provincial Treasury office in the district.

Municipal budget is the annual financial plan of revenue and expenditure of local government units, revenues and expenditures of budgetary establishments, auxiliary units, etc. It is passed in the form of a budget resolution. Construction of the contents of the budget is determined by a team of budgetary principles, among which the most important are the principles: unity, transparency, anteriority, balance, detail.

There are 5 Directorates (Budget & Treasury, Technical Services, Primary Health, and Environmental Health & Disaster Management) within the District Municipality. Each Directorate is allocated funds in the budget, the Directors are responsible to manage their allocated funds and accuracy is maintained.

In terms of budgeting all the budget related policies have been reviewed and approved by council. In terms of the Budget Framework Plan we are implementing according to the plan but what still need to be strengthened is the consultation of stakeholders so that we can get more although there is a budget steering committee which is in place and functional. We are also preparing budget as per the National Treasury guidelines and templates.

a. LINKAGE OF BUDGET TO IDP (LINKAGE AND ALIGNMENT)

Operations budget: the linkage between Budget & IDP are aligned and compliant as the committees are in place as the Steering committee it's called IDP/PMS/Budget Steering cause the three go together. All operations are incurred in terms of IDP. The capital allocation is mainly for the Water & Sanitation services as informed by Powers and Functions.

Capital expenditure consists of MIG, RBIG, MWIG, RHIG, ACIP and WSOG which are 100% aligned to IDP as they are spent on water & sanitation services. CHDM Municipal IDP gives attention to building its own delivery capacities and IDP's have improved over the last few years and are generally aligned to PGDP in terms of agrarian transformation, human resource development, economic diversification and tourism, infrastructure provision, and fighting poverty. However, there are some important gaps in the context of provincial alignment (e.g. housing, EPWP etc). The Chris Hani IDP devotes considerable attention to building its own capacity and that of the local municipalities. Perhaps more attention could be given to how to improve co-operation with other arms of Government

3. ASSET MANAGEMENT AND SUPPLY CHAIN MANAGEMENT

The institution currently operate with a less staffed Asset Management unit. Asset management is incorporated under Budget and Reporting which was making the scope of work to be performed by the section to be huge and complex.

Beginning of 2014/15 financial year this section has been splitted from supply chain management unit and new organogram has been developed and approved by the council and Asset Manager position has been filled with some fewer positions under the unit filled as per new organogram. Currently we are using the external source with the few staff we had to assist in all the areas of assets (movable and infrastructure assets).

CHDM has an Asset Register which is updated on a monthly basis for the movable assets and we have also procured an Asset Software which is also assisting in the proper management of asset. The area that still to be strengthened is the management of Infrastructure Assets. Infrastructure asset register is only updated at the end of the financial year which sometimes posses challenge during the end of the financial year. An Asset Management Strategy has been developed in 2015/16 financial year and we do have an Asset Management Policy and this will be developed in line with 2017-2022 term of council. In the event of loss and stolen assets is reported to the asset manager and the asset register is updated. This is a plan to unify the asset management function and financial management system.

On Supply Chin Management the unit is the custodian of the institution's Supply Chain Management Policy which has been adopted by Council this policy is reviewed annually and ensures its implementation in its procurement processes at all times. The policy itself is in line with Treasury Guidelines and is renewable annually.

The unit has the following key priority areas:

- To ensure that the municipality has and implements a supply chain management policy, this gives effect to the provisions of the act.
- To ensure procurement of goods and services in a fair, equitable, transparent, competitive and cost effective and comply with the prescribed regulatory framework
- That all reasonable steps are taken to ensure that proper mechanisms are in place and separation of duties in the supply chain management system is implemented to minimise likelihood of fraud, corruption, favouritism and unfair and irregular practises.
- To ensure that all contracts/agreement are in writing and are procured in line with the Supply Chain Management
- To ensure that the supply chain management delegations are properly enforced and managed
- That the municipal bid structures are in place and effective, to ensure competitive bidding process.
- Ensure submission of proper, accurate and applicable reports as per MFMA
- To ensure the disposal of municipal assets in accordance with the applicable legislation.
- Ensure that municipal inventory levels are kept at an acceptable levels as per the Municipal SCM policy

The institution is implementing a Database Rotation system for the procurement for goods and services for the operational budget depending on delegation as per legislation, and is using an electronic order system for purchases. Also the bidding system is followed as per legislation in terms of capital appointments and according to the delegations. There are three bid committee structures that are active and have own set of dates that they normally follow to attend to matters.

The Bid Committees are: the Adjudication Committee *that* is comprised of HoDs, SCM Manager and is chaired by the CFO of the institution. Spefication and Evaluation Committees are appointed by Municipal Manager in line with MFMA and as well SCM officials assist in sitting of these committees.

CHDM has the following elements of SCM that are fully functional:-

Demand management: This is the beginning of the supply chain, and must begin with a needs assessment, to ensure that goods or services are required in order to deliver the agreed service, that specifications are

precisely determined, that requirements are linked to the budget and that the supplying industry has been analyzed.

Acquisition management: It is the management of procurement by the municipality to decide on the manner in which the market will be approached; to establish the total cost of ownership of a particular type of asset; to ensure that bid documentation is complete, including evaluation criteria.

Logistics management: This aspect addresses the setting of inventory levels, placing of orders, receiving and distribution of material and goods, stores, warehouse and transport management, expediting orders, the review of vendor performance, maintenance and contract administration.

Disposal management: A supply chain management policy must provide for an effective system of disposal or letting of assets no longer needed, including unserviceable, redundant or obsolete assets, subject to sections 14 and 90 of the MFMA.

Contract Management: this section addresses the validity of our contracts in terms of compliance and applicable deliverables. It also monitors any variations that may be incurred.

Risk management: risk management is maintained in all elements of SCM by putting in place proper controls. Risk management includes identification of risks on a case-by-case basis;

Performance management: This is a monitoring process, undertaking a retrospective analysis to determine whether the desired objectives were achieved. Some of the issues that may be reviewed are: compliance to norms and standards; cost efficiency of procurement process (i e the cost of the process itself).

4. ACCOUNTING SYSTEMS ADMINISTRATION

The unit is under Budget and Traeasury department and its main Objective is to maintain the financial management systems for the District Municipality and it's Local Municipalities as well as Integration of data and or information between the systems that the district municipality use.

Unit uses various systems on a day to day basis. Systems that are in use are a sfollows

eVenus

The institution uses this financial Management System for:-

- Processing of payments
- General Ledger
- Bank control
- Assets and Fleet management

Cashdrawer

- For receipting all income received and general enquiries.

Pay Day Software

- The system helps us with Payroll, Human resources, Posts, Equity, Skills.

Bankit

- We use the system for uploading payments for creditors and salaries to our FNB account. Collection of money from our debtors and down loading the bank statements.

Supplier Database (Saratoga)

- This system does supplier database management including rotation of suppliers.

CaseWare

- This tool assists us in the preparation of GRAP compliant Financial Statements and it also generates financial reports as per National Treasury Guidelines i.e. S71 reports and Budget forms.

Asset Ware

- It is a financial tool for Asset tracking and Management

Time Zone

- Financial security system

This Unit nof Accounting Systems Administration gives support to some of our local municipalities which are using the same accounting packages as the district. They get shared support, skills transfer and systems administration on the systems above with district municipality.

- Enoch Mgijima Local Municipality
- Intsika Yethu Local Municipality

5. ANNUAL FINANCIAL STATEMENT AND AUDIT

Budget and Treasury office have a section responsible for preparation of Annual Financial Statement and Audit Coordination. The key areas of this section are

- Preparation and submission of Annual Financial Statements
- Ensuring that audit is performed well by Auditor General and required information is submitted to them timeously
- Ensure that Audit Action plan is developed and implemented

5.1 AG'S OPINION AND AUDIT ACTION PLAN

Municipality has shown improvement on the Audit in the past two years as our audit opinion has changed from Disclaimer to Qualification. Qualification has been achieved in the past three four years and the institution is striving for Unqualified Opinion as we believe we can achieve that. To ensure that matters raised by AG are addressed promptly, CHDM has established Audit Task Team which sits weekly to make tasks easy for the Steering Committee. Key areas of focus that the institution needs to focus on are issues of Compliance, Performance Management, and Reconciliations of Grants which were not disclosed properly in the previous financial years. An action plan has been developed which details the process to be followed in rectifying the findings raised in the audit report. The AFS and Audit Coordination section is responsible for ensuring that the institution work on improving the audit opinion by ensuring that action plan is being implemented and report is prepared and submitted to council on progress.

2.4.5 GOOD GOVERNANCE and PUBLIC PARTICIPATION

Good Corporate Governance underpins all the programmes and projects presented in this 2017-2022 IDP. Good governance dictates that the Municipality should conduct its business in an Open, Transparent and Accountable manner. For this to be realised, community participation is essential hence the municipality developed policies and strategies to liase and interact with communities, amongst those are Stakeholder Mobilisation Strategy, Public Participation Strategy, and Communication Strategy etc. The establishment of a caring environment requires emphasis not only on community participation, but also on customer care and responsiveness. With regard to Customer Care, the Municipality has embarked on a programme to engage customers with regard to their level of satisfaction with municipal services and the development of a new Customer Care Framework. In the current IDP review period, foundational work has been done in terms of the completion of a comprehensive survey of all types of customers. Soon thereafter, the focus will shift to embedding a robust system of customer relations management, anchored in clear service standards, customer responsiveness, and the monitoring and evaluation of ongoing customer perceptions and feedback. The revival of the Batho Pele Campaign will complement this effort and galvanise the institution to embrace a culture of putting people first.

1. COMMUNICATIONS

The Communications unit was established in order to provide a link between the municipality and the community, providing communication service for all CHDM Directorates. The communication function is politically accountable to the Executive Mayor and the unit of communication is at the Strategic Management Services. This function of communication is a legislative requirement as guided by The Constitution of the Republic of South Africa, Act 108 of 1996, Section 32 that gives a right to every citizen to Right to Access any information held by the state. The Municipal Systems Act 32 of 2000 Chapter 4, which requires Public Participation of communities and stakeholders in decisions of councils. The Promotion of Access to Information Act No. 14 of 2000 which indicates how communities can access information at any given time. The Municipal Finance Management Act 56 of 2003 which encourages publication of information and consultation with communities. The District IDP which seeks to achieve the prescripts of the mission and vision and further the National Government Communications Plan which provides framework for government communication and the SALGA National Communications Conference Resolutions of May 2006.

The Unit is guided by the following Strategic Objectives

- Municipal communication per communication challenges of the District
- To maintain uniform corporate identity and image that promotes the municipal vision, mission and values
- To facilitate a coordinated two way flow of communication between municipality and its internal and external publics
- To provide communication support to all Directorates

Communication Strategy

Communication Strategy has been developed and approved by Council, so that the unit would develop and implement a responsive communication strategy with a programme of action that is aligned to the municipal IDP, to guide communication activities of the municipality and should be linked to the term of Council. The strategy is reviewed annually and adopted by Council after a consultative process with relevant stakeholders.

As one of key mandates of the develoomental local government is to ensure participation and communication to all stakeholders each and every year its imperative that this is reviewed annually and adopted by council. For 2017-2022 Communications Unit has developed a new 5 Year Communcation Strategy linked to the term of Council.

The objectives of the strategy are to encourage meaningful public participation through promotion of government programmes; To promote and articulate CHDM plans, policies and achievements. To facilitate proactive communication on matters of disaster risk management, health and environmental issues; To strengthen and improve internal communication systems; To reinforce intergovernmental relations through coordination of communication programmes and activities amongst the three spheres of government and to create and maintain sound relations with the media. Communication Policy was further developed and this has to be developed and implementation of a communication policy haad to set out clear regulations and procedures for communication in the municipality. The policy is currently incorporated in the Communication Strategy and is reviewed annually.

Communication Structures are in place to ensure establishment of vibrant communication structures within the district to ensure smooth flow of information and alignment of programmes. A District Communication Forum chaired by the Manager Communications has been established, Local Communication Fora are established and the Manager of Communications participate in the Municipal Managers' Forum, an IGR structure that includes government departments and parastatals. A Communication Task Team (CommTask) is also established as an internal communication structure.

Marketing and Branding

The unit develops and implements a marketing plan that seeks to ensure promotion of the municipality and its activities and programmes for the benefit of its publics, tourists and investors. This function requires maximum utilisation of various platforms in the print, electronic media arenas and exploitation of unmediated opportunities. The unit further develops marketing material such as banners, posters, leaflets, booklets and any promotional material. The unit also develops and oversee implementation of Branding Guidelines which regulate use of the municipal symbol, playing a leading role in the production of all branded material such as name tags, business cards, stationery, corporate wear, corporate gifts, vision and mission statements, also maintaining brand visibility through office and boundary signage.

Website content authoring

The District Web site is a marketing, public participation and information dispensing tool. The unit is therefore responsible to constantly update the website with relevant content while the ICT section is responsible for the technical side. All important documents which are for public are uploaded on te website, documents loke IDP, SDBIP, Perfomance Agreements of Sec 56/57 Managers, Budget, IDP/Budget/PMS Process Plan, IDP Framework, Tenders awarded etc

Advertising function is responsible for all advertising pertaining to: Council meetings, council announcements / messages, events, project launches, annual reports, budget processes, IDP programmes etc.

Media Liaison and Monitoring is the responsibility of communications unit and they responsible for liaising with various media houses (radio, television and newspapers) for the purposes of disseminating information to

the public and responding to media queries, record and keep track of what is publicized about the municipality and any news relating to local government and report to council.

News letters

The communication unit publishes a quarterly newsletter called **"Uphuhliso"** currently in two languages (isiXhosa and English). The main objective of the publication is to disseminate information, encouraging public participation in the process. The content is sourced from various directorates. An internal news letter "InnerView", is also published to keep internal stakeholders informed of Council business also affording them a platform to air their views. The publication is done in house and produced monthly.

Presidential Hotline Queries

The unit is also charged with monitoring and coordination of hotline queries on line, facilitate responses and report.

Events

The unit plays a prominent role in the coordination of ALL Council events by providing communication support, such as media liaison, branding, photography etc. The events range from Outreach, IDP Road shows, Chris Hani Month, Tourism / Heritage month, Institutionalized days such as Womens' Day, ISDR etc.Production of Annual Repor, the unit is responsible to produce a compliant annual report: this involves sourcing of information from Directorates, collating and editing and ensure commissioning of printing services.

2. SPECIAL PROGRAMMES UNIT

The Special Programmes Unit (SPU) is a developmental office coordinating the upliftment of designated groups (i.e. Gender, Youth, and People with Disabilities, Children and The Elderly) and ensures that all CHDM Directorates mainstream their programmes. The Special Programmes Unit is located in the Strategic Directorate.

This function is a legislative requirement guided by The Constitution of the Republic of South Africa, Act 108 of 1996, Section 9 that declares everyone is equal before the law and has the right to equal protection and benefit of the law. The Local Government Municipal Systems Act 32 of 2000 Chapter 4 which requires public participation of communities and Municipalities to take into account the special needs of designated groups. The Promotion of Equality and Prevention of Unfair Discrimination Act 4 of 2000 and South Africa's National Policy Framework for Women's Empowerment and Gender Equality of 2000 that promote and protect women's rights towards achieving gender equality. The Integrated National Disability Strategy of 1997 requires us to drive the government's equity, equality and empowerment agenda in terms of those living with disabilities. The National Youth Policy of 2008 is a framework for youth development across the country which endeavours to ensure that all young women and men are given meaningful opportunities to reach their full potential, both as individuals and as active participants in society.
The Constitution of the Republic of SA, The South African Children's Charter, and Children's Act 38 of 2005 encourages government to develop a non-sexist, discrimination-free, equitable and inclusive society that protects and develops the human potential of its children.

The Older Persons Act 13 of 2006 seeks to promote the rights, prevent and combat the abuse of older persons. The District IDP which seeks to obtain the vision, mission and promote the values of a caring society.

STRATEGIC OBJECTIVES OF THE SPU

- To assist CHDM in monitoring and evaluation of the integration and mainstreaming of Special Programmes in the IDP and sector plans.
- To facilitate and coordinate the development of District Gender Policy, District Integrated Disability Strategy, District Youth Strategy and Coordinate and Monitor the implementation of Children's and Older Persons Rights Strategies.
- To coordinate the participation of vulnerable groups in development through their designated forums.
- To capacitate designated groups forums in order to manage their programmes and projects effectively.
- To promote civic education on legislation, policies and programmes affecting designated groups to strengthen social cohesion.
- To coordinate the commemoration of institutionalised days.

The unit develops a holistic policy that responds to the changing conditions of vulnerable groups in partnership with other stakeholders t ensure that they grow, develop and prosper as fully engaged responsive and productive citizens. It shall articulate the values of respect, participation, access, equity, diversity, redress, responsiveness, transparency, gender sensitive, team work and ubuntu. The unit shall develop and implement a responsive special programmes strategy with a clear programme of action that is aligned to the district IDP linked to the term of council. The strategy must be reviewed by all relevant stakeholders annually and be adopted by council.

The strategy highlights priority targets and interventions to be actioned for the betterment of the vulnerable groups in areas such as education and skills development, employment and economic development, health and wellbeing, social cohesion and public participation, information and communication, violence and abuse against women and children, access and integration of people with disabilities, arts, sports and culture.

The unit has a functional District Special Programmes Unit Forum to support, coordinate and mainstream the programmes in the departments and the IDP. This forum is made up by representatives from all local municipalities and the district. The district technical task team is established to support the local municipalities to plan and integrate their programmes adequately. The Special Programmes shall the requisite personnel to attend to the challenges of the designated as recommended by SALGA and COGTA.

The unit shall support and advise the local municipalities, monitor the implementation of the strategy, liaise with Chapter 9 institutions, advice and brief the political and administrative heads respectively on all matters affecting designated groups.

The SPU Section has identified areas which need to be resolved to ensure that youth, people with disabilities, the elderly, children and gender issues are addressed within the institution:

- Strategic focus responds to a need for skills development through education and training.
- Demographic analysis does not provide accurate picture about youth. It provides no information about the levels and types of disability. It provides no information about children. This unclear picture compromises targeted programming, impact benchmarking and evaluations.

- IDP does not provide a district skills profile. It only assumes the need for education and training on the basis of high number of youth in the district, without even quantifying that number. Information is neither disaggregated according to gender nor disability. In the absence of such skills profile training interventions are compromised in terms of impact benchmarking and evaluation.
- It is not clear how the 26% youth ownership of SMMEs is distributed across economic sectors in the district. The same is not said about women ownership, except that their dress-making enterprises make up 44% of the manufacturing sector. Nothing is said about disability. The determination of any support for promotion of enterprise development would be compromised if based on such inadequate planning information.
- IDP emphasizes the lack of recreational facilities for youth especially in former homeland areas. It is silent on recreational needs of women and people with disabilities, children and the elderly.
- Need to focus on land tenure is limited only to youth and women, to the exclusion of people with disabilities. This may lead to this group being excluded from housing beneficiation as well as land for commercial purposes.
- IDP silent on HIV/Aids and disability, children and the elderly. This may lead to inappropriate strategies and resource misallocation.
- IDP acknowledges need for appropriate baseline information for proper planning. It acknowledges need for policies, mechanisms, processes and procedures for mainstreaming. It acknowledges need for improving coordination.

3. Inter-Governmental Relations (IGR)

The function of the structure is to align the planning cycles of the different spheres of government to ensure that IDP is a reflection of national plans at a local level. CHDM has developed an IGR Strategy and for the financial year key is implementation of IGR Strategy as driven by IGR Core Team and adopted by council.

The Executive Mayor of the CHDM is convening the DIMAFO of the District. It is composed of : -

- All Mayors in 6 municipalities
- The Departmental officials in the District

The Technical IGR Forum also is operational as chaired by Municipal Manager of CHDM, this forum seats quarterly and is attended by all senior management of the institution as well as all sector departments' senior management. This forum discusses service delivery issues and issues discussed are alleviated to the District Mayors Forum for endorsement and for political buy-inn, meaning it further informs the agenda of the DIMAFO.

- Technical advise on policy / program debate
- Develop an agenda
- Report on progress

The Executive Mayor attends the Premier's Co-ordinating Forum to raise issues that talk to Strategic positioning of the CHDM in the fight against poverty. The MM attends the Technical Forum with the Director General of the Province. SALGA is an integral part of all these processes as the organized body of the local government

Challenges:

- Failure by government structures to utilise Intergovernmental Relations as a planning tool;
- Lack of joint implementation of projects by government structures;

Risk Management

The District has developed and adopted Risk Management Policy which was adopted by Council and the unit headed by Risk Manager manages the process and the Municipal Manager assesses the implementation of Risk Management Plans. The progress on the implementation of risk management plans is monitored by the Anti Fraud and Risk Management Committee. Some of the duties of committee includes the following
Review the Risk Management Policy, Strategy, Fraud Prevention Policy, Fraud Prevention Plan, Whistle Blowing Policy, Investigation Policy, Private Work and Declaration of Interest Policy. Review the Risk Appetite and Tolerance and recommend for approval by Council. Review the Institution Risk Identification and Assessment Methodologies to obtain reasonable assurance of the completeness and accuracy of the Risk Register. Committee also provides Oversight and ensuring that mechanisms are in place to monitor Fraud Risk and ensure that Fraud Risk is controlled within the acceptable and approved Risk Tolerance and Risk appetite of the municipality.

Internal Audit Function

The Internal Audit Unit of the Chris Hani District Municipality was established in terms of the Municipal Finance Management Act, Act 56 of 2003 ('MFMA') which states that Accounting Officer is responsible for managing the financial administration of the municipality and that the municipality has and maintains, effective and transparent systems of internal audit, operating in accordance with any prescribed norms and standards.The internal audit activity evaluates risk exposures relating to the organization's governance, operations and information systems, in relation to:

Effectiveness and efficiency of operations.
Reliability and integrity of financial and operational information.
Safeguarding of assets.
Compliance with laws, regulations, and contracts.

Based on the results of the risk assessment, the internal auditors evaluate the adequacy and effectiveness of how risks are identified and managed in the above areas. They also assess other aspects such as ethics and values within the organization, performance management, communication of risk and control information within the organization in order to facilitate a good governance process. The internal auditors provide recommendations for improvement in those areas where opportunities or deficiencies are identified. While management is responsible for internal controls, the internal audit activity provides assurance to management and the audit committee that internal controls are effective and working as intended.

The internal audit activity is led by the Internal Audit manager and the Manager delineates the scope of activities, authority, and independence for internal auditing in a written charter that is approved by the audit committee and adopted by Council

The Internal Audit Activity is manned by capable Internal Audit practitioners who are members of the Institute of Internal Auditors. The IIA is the primary body for the internal audit profession; it maintains the International Standards for the Professional Practice of Internal Auditing and the profession s Code of Ethics. IIA members are required to adhere to the Standards and Code of Ethics.

The Performance and Audit Committee

The Audit Committee is established in terms of Section 166 of the Municipal Finance Management Act, Act 56 of 2003 (‘MFMA’) which states that ‘’Each Municipality and each municipal entity must have an Audit committee.”The purpose of the Committee is to assist and advise the Council in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control over financial reporting, the audit process, Performance Management and Evaluation in terms of the Municipal Planning and Regulations of 2001.

An audit committee typically serves as the liaison among the Council, external auditors, internal auditors, and financial management. Generally, the audit committee's purpose is to assist the Council in overseeing the:

- Reliability of the entity s financial statements and disclosures.
- Effectiveness of the entity s internal control and risk management systems
- Compliance with the entity s code of business conduct, and legal and regulatory requirements
- Independence, qualifications, and performance of the external auditors and the performance of the internal audit activity.

Functions of the Performance Audit Committee

More and above the provision of credible view of the efficiency and effectiveness of the performance management of the municipality this Committee facilitates consideration of the annual report in its entirety and also performs the following functions: Review quarterly reports, the Annual Financial Statements (AFS) and any other reports deemed necessary, regarding the performance of management of the CHDM; Review quarterly reports of Internal Audit regarding auditing of performance measurements; Reviewing significant differences of opinion between management and the internal audit function; Review the Municipality’s performance management system and make recommendations in this regard to Council; and, In reviewing the performance management system, the committee focuses on economy, efficiency, effectiveness and impact in so far as the key performance indicators and performance targets set by the municipality are concerned; In this regard it is provided with the relevant Integrated Development Plan (IDP) and Service Delivery and Budget Implementation Plans (SDBIP).

Accountability

(i) The Chairperson of the Performance Audit Committee report to Council.
(ii) The Chairperson of the Performance Audit Committee prepares a statement, for inclusion in the annual report, commenting on performance management and performance evaluation.
(iii) The Chairperson advise and makes recommendations of any material findings to the Executive Mayor via the Municipal Manager.
(iv) The Chairperson of the Performance Audit Committee serves on the Assessment Panel for Section 57 Employees according to the performance regulations.

4. Public Participation

A recent study by the Department of Social Development has indicated that residents in ISRDP nodes rate their local authorities higher than other spheres of government but cynicism is beginning to increase. There is a growing perception that all spheres are not doing anything to improve the lives of residents. In addition there is a growing sense of alienation i.e. that a person has no influence on their surrounds or community and a growing lack of apathy towards attending community participation programmes like the IDP. It is therefore even more important that CHDM increases its public participation and feedback mechanisms. Reviewed Public Participation Strategy as adopted in 2014 Council meeting guides and inform all these innitiatives.

CHDM currently runs IDP and Budget roadshows on a annual basis in all municipalities. In addition it hosts several public knowledge sharing days on health issues, hygiene, water and sanitation usage, supply chain management, disaster and fire prevention strategies and fire, occupational health and safety, LED, GIS and Planning. To strengthen the relations with Traditional Leadership the House of Traditional Leadership of the region is a stakeholder that sits on our Representatives Forum. In accordance with the Local Government Municipal Systems Act, the CHDM holds regular Integrated Development Plan (IDP) Representative Forum meetings in drafting its IDP. At the beginning of the planning cycle, advertisements are placed in the local newspapers calling for interested parties to contact the CHDM.

Once the IDP and budget have been drafted and tabled at Council, the CHDM places another advertisement calling for public comments. Copies of the document are lodged at all the Libraries within the district and at Local Municipalities. After this process, the CHDM further embarks upon IDP and Budget Roadshows to the communities' at all local municipalities. This is done in conjunction with the support and assistance of the local municipalities who assist the CHDM's officers, through their Ward Councillors, to mobilize the ward community members to attend the roadshow events. The Draft IDP is summarized and presented to communities in English and isiXhosa for comment and discussion. Records of these meetings are kept and a document is drafted to keep track of the responses and to disseminate to other government departments for follow up and actioning, where necessary, through intergovernmental forum meetings and Rep Forum.
Once all the comments and discussions have been taken into consideration towards an amended IDP and Budget, the above process is followed up by a Council Open Day, where Committees and members of the community are invited to a Council meeting. The amended/Draft IDP and Budget is again presented for the last time before they are submitted to Council for adoption. Council procedures are relaxed for the Council Open Day to allow the communities to speak and voice their comments after the presentations have been made. These comments are again collated into a document.

The IDP/Budget Road-shows are conducted annually and all Local Municipalities with the district are visited, the mayoral committee champions the initiative. Below is a proposed time schedule to be followed per LM in April 2017.

MUNICIPALITY/AREA	PROPOSED VENUE	DATE	TIME
1.Engcobo Local Municipality	Engcobo Town Hall		10h00
Enoch Mgijima Local Municipality	Thobi Kula Indoor Sports Centre		10h00
4. Sakhisizwe Local	Cala Town Hall		10h00

Municipality		*By the Month of April 2017*	
5.Inxuba Yethemba Local Municipality	Vusubuntu Cultural Centre		10h00
6. Emalahleni Local Municipality	Emalahleni Town Hall		10h00
7. Intsika Yethu Local Municipality	Tsomo Town Hall		10h00

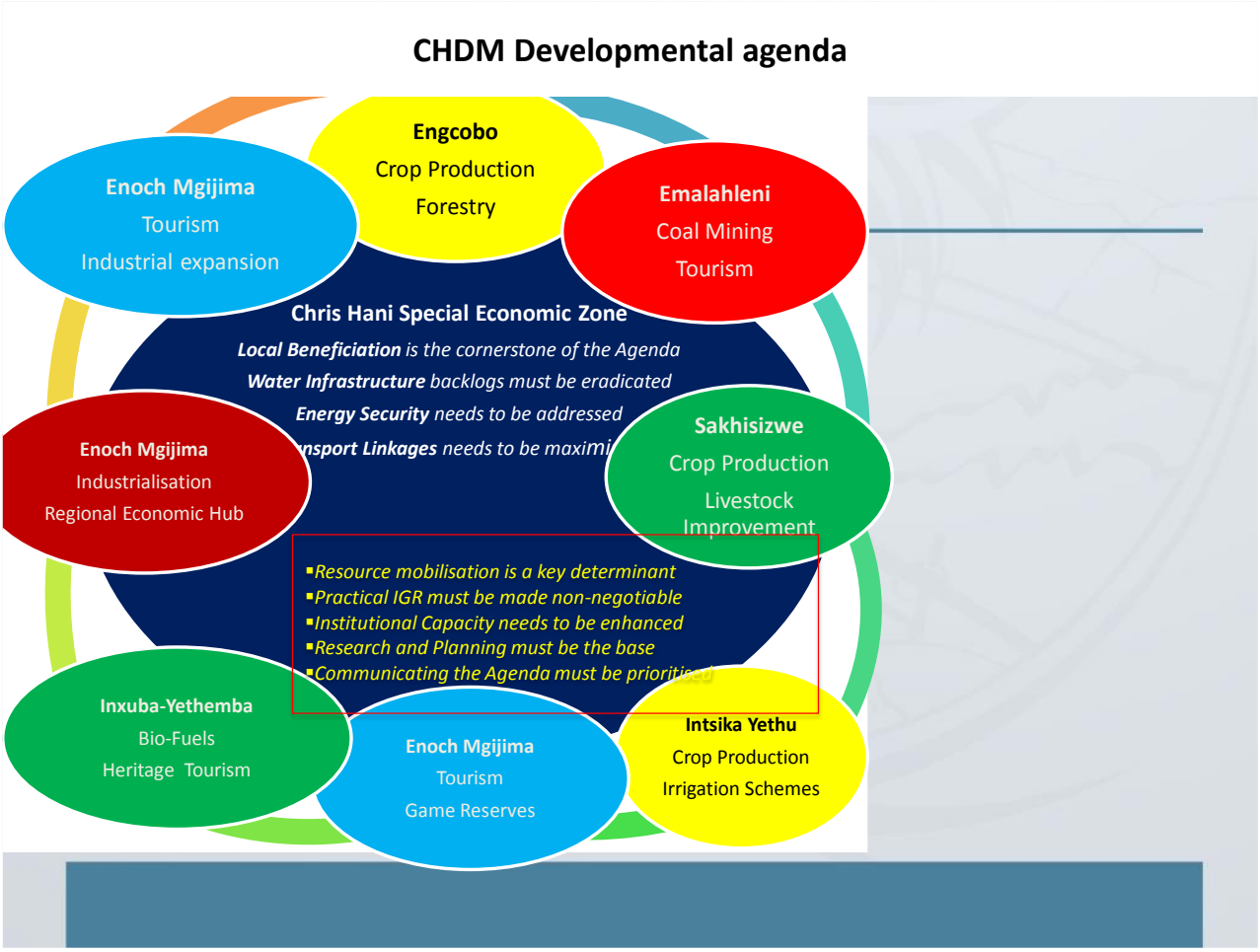
CHAPTER 3

CHDM BROAD STRATEGIC OBJECTIVES

CHDM long term vision has been born out of Analysis of the Chris Hani Status Quo and developed through intensive participatory processes. Our Vision and Mission as well as Objectives, Strategies and Programmes are informed by the Development Agenda of the district which in one way or the other seem to be aligned to the National Development Plan 2030 as these programmes seek to address the three challenges that South Africa in general face , which are Inequality, Poverty and Job Creation. The NDP 2030 seeks to help us to chart a new course. It focuses on putting in place the things that people need to grasp opportunities such as education and public transport and to broaden the opportunities through economic growth and the availability of jobs. CHDM through the IPED department also focuses on Economic and Social Growth which flows from the Constitution of RSA Sec 152 and Sec 153, the sections refers to promotion of Economic and Social Growth.

According to NDP 2030 everything is aimed at reducing Poverty and Inequality. Our view as CHDM same as the National government view is to shift the balance of spending towards programmes that help people improve their own lives and those of their children and the communities they live in South Africa can become the country we want it to become. It is possible to get rid of poverty and reduce inequality in 20 years. We have the people, the goodwill, the skills, the resources – and now, a plan. This IDP of 2017-2022 seeks to address exactly those three challenges. Furthermore the institution further believes that these objectives, Strategies and Indicators would lead to us focusing o the very same principles of 'Back to Basics" and Masiphathisane.

This is explained through a programme that CHDM Council together with its Councils of Local Municipalities has committed to follow.



Vision:

Our stakeholders through Strategic Planning Sessions both departmental and Institutional felt that the Vision and Mission which we adopted during 2012 for the 2012-2017 IDP are to be amended and process to unfold that will be presented to Council for adoption and later be taken to communities for comments. Below is the draft Vision and draft Mission for the institution.

"Leaders in sustainable economic growth and improved quality of life"

Mission:

"To coordinate governance and quality service for vibrant communities"

Values:

C=Commitment
H=Humanity
R=Respect
I=Integrity
S=Sincerity
H=Honesty
A=Accountability
N=Nurturing
I=Innovative

In an effort to realize the institutional vision, CHDM has developed 5 Broad Strategic Objective as aligned to the National KPA. These are a way of responding to key issues confronting the municipality and as said are aligned to the 5 National KPA's (5 year Local Government Strategic Agenda). The below Broad Strategic Objective were developed during the various strategic session of the institution and are to be applied for the period 2017 2022 and will be reiewed annualy till 2022.

CHDM 5 KEY BROAD STRATEGIC OBJECTIVES LINKED TO 5 KPA's

1. **To establish and mantain a skilled labour force guided by policies to function optimally towards the delivery of services to Communities.**

2. **To ensure provision of Municipal Health, Environmental Management and Basic Services in a well structured, efficient and integrated manner.**

3. **To ensure development and implementation of regional economic strategies and effective Spatial Planning and Land Use Management approaches as drivers for economies of scale and social cohesion.**

4. **To Ensure an Effective, Efficient and Co-ordinated Financial Management that enables CHDM to deliver its mandate.**

5. **To create an Efficient, Effective, Accountable and Performance-oriented Administration.**

CHDM 2017-2022 STRATEGIC OBJECTIVES, KPIs and 5-year TARGETS
KPA No 1: Municipal Transformation and Institutional Development:

1.To establish and mantain a skilled labour force guided by policies to function optimally towards the delivery of services to communities

PROGRAMME OBJECTIVE	5YR OUTCOME	STRATEGY	KPI	KPI Code	Base line	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
To attract, retain and build a productive workforce	Increased productivity and improved service delivery	Implementation of Integrated Human Resources Management Programs	Number of IHRM programmes implemented	MT OD 1	HRD Strategy in place	11 Integrated Human Resources Management Programs	11 Integrated Human Resources Management Programs	11 Integrated Human Resources Management Programs	11 Integrated Human Resources Management Programs	11 Integrated Human Resources Management Programs
		Implement Integrated Health Wellness and Safety Programs	Number of employees Wellness Programmes implemented	MT OD 2	18 Programmes	28 Integrated Health, Wellness and Safety Programs	28 Integrated Health, Wellness and Safety Programs	28 Integrated Health, Wellness and Safety Programs	28 Integrated Health, Wellness and Safety Programs	28 Integrated Health, Wellness and Safety Programs
To ensure effective Management of Municipal Assets.	Sustainable delivery of services	Effective Management of Municipal Asset	Number of Municipal Vehicles Acquired.	MT OD 3	77 Vehicles in place	21 Vehicles acquired	22 Vehicles acquired	23 Vehicles acquired	24 Vehicles acquired	25 Vehicles acquired
			% of functional vehicles maintained	MTOD 4	50 % vehicle mantained	80% of functional vehicles maintained	80% of functional vehicles maintained	80% of functional vehicles maintained	80% of functional vehicles maintained	80% of functional vehicles maintained
			% of buildings constructed	MTOD 5	Nil	30% of construction Phase 01	70%of work constructed Phase 01	70% of work constructed Phase 02	30% work constructed Phase 02	N/A

				% of buildings refurbished	MT OD 6		50% Refurbishment	100% refurbished	50% refurbishment	100% of work refurbishment	100% of work refurbished
PROGRAMME OBJECTIVE		**5YR OUTCOME**	**STRATEGY**	**KPI**	**KPI Code**	**Base line**	**ANNUAL TARGETS**				
							2017/18	**2018/19**	**2019/20**	**2020/21**	**2021/22**
To ensure effective Management of Municipal assets.		Sustainable delivery of services	Effective Management of Municipal Assets	% of Security Management Plans implemented	MT OD 7	None	30% Security Plans Implemented	50%Security Plans Implemented	100% Security Plans Implemented	Review Security Plans	Review Security Plans
				Number of ICT Programmes Implemented	MTOD 8	4 Programmes	4 Programmes Implemented	4 Programmes Implemented	4Programmes Implemented	4Programmes Implemented	4Programmes Implemented
To ensure effective Administration support and Legal services		Effective support to Council and Administration	Implementation of litigation Management Strategy	Number of Programmes implemented to reduce judgements	MT OD 9	Litigation Management Strategy in place	4 Programmes implemented	4 Programmes implemented	4 Programmes implemented	4 Programmes implemented	4 Programmes implemented
			Effective administration support	Number of Administration support programmes provided	MTOD 10	04 Admin Support programme	04Programmes implemented	04Programmes implemented	04Programmes implemented	04Programmes implemented	04Programmes implemented
To ensure proper document management		Effective management of document	Implementation of Eletronic Document Management System	% implementation of EDMS by	MTOD 11	Nil	30% implementation of EDMS	60% implementation of EDMS	80% Implementation of EDMS	100% implementation of EDMS	100% Implementation of EDMS

KPA 2 : SERVICE DELIVERY AND INFRASTRUCTURE DEVELOPMENT

2.To ensure provision of Municipal Health, Environmental Management and Basic Services in a well-structured, efficient and integrated manner.

PROGRAMME OBJECTIVE	5YR OUTCOME	STRATEGY	KPI	KPI Code	Baseline	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
To ensure Universal coverage of Water and Sanitation by 2022	Quality Drinking Water	Implementation of WSDP	Number of households served with Quality basic water supply	SDI-1	2920 Households	8032 h/h served RDP Standard	6438 h/h served RDP Standard	6838 h/h RDP Standard	3160 h/h RDP Standard	3150 h/h RDP Standard
			Number of water Reticulation projects completed	SDI-2	21 Water Reticulation projects completed	13 Water Reticulation projects completed	10 Water reticulation projects completed	16 Water reticulation projects completed	10 Water reticulation projects completed	09 Water reticulation projects completed
			Number of Bulk Water Supply projects completed	SDI-3	10 Bulk Water supply projects completed	08 Bulk Water supply projects completed	09 Bulk Water supply projects completed	09 Bulk Water supply projects completed	04 Bulk Water supply projects completed	04 Bulk Water supply projects completed

			Number of Water Treatment Works with Quality drinking water in accordance with SANS 241	SDI -4	97% compliant	16 Water Treatment works Complying with SANS 241 at 97%	16 Water Treatment works Complying with SANS 241 at 97%	16 Water Treatment works Complying with SANS 241 at 97%	16 Water Treatment works Complying with SANS 241 at 97%	16 Water Treatment works Complying with SANS 241 at 97%
			Number of Water Treatment works constructed	SDI-5	02 Water Treatment Works	04 Water Treatment Works	01 Water Treatment Works	01 Water Treatment Works	Nil Water Treatment Works	01 Water Treatment Works
	Safe Sanitation		Number of households served with safe basic sanitation	SDI-6	6056 households	4589 h/h served	1766 h/h served	3498 h/h served	7557 h/h served	7557 h/h served
			Number of Waste Water Treatment works constructed	SDI-7	I Waste Water Treatment works	1 Waste Water Treatment works	1 Waste Water Treatment works	2 Waste Water Treatment works	1 Waste Water Treatment works	None
			Number of Waste Water Treatment Works with Quality Effluent in accordance with R991	SDI-8	41%	16 Waste Water Treatment Works complying with regulations 991 at 75%	16 Waste Water Treatment Works complying with regulations 991 at 75%	16 Waste Water Treatment Works complying with regulations 991 at 75%	16 Waste Water Treatment Works complying with regulations 991 at 75%	16 Waste Water Treatment Works complying with regulations 991 at 75%

	Sustained water resource	Iplementation of Operations and Mantainance Plan	Number of Water Schemes Refurbished	SDI-9	14 Water Schemes refurbished	10 water Schemes Refurbished	10 water Schemes Refurbished	10 water Schemes Refurbished	10 water Schemes Refurbished	10 water Schemes Refurbished
To ensure maintenance of Roads	Well maintained roads	Implementation of Roads SLA	Number of kilometres of roads maintained	SDI-10	2148 Km Blading and 30 Km for regravelling	2000 km Bladed and 10 km Gravelled	Implementation of SLA	Implementation of SLA	Implementation of SLA	Implementation of SLA
To ensure Universal coverage of Water and Sanitation by 2022	Safe Sanitation	Implementation of WSDP	Number of Waste Water projects completed	SDI-11	None	3 Waste Water projects completed	1 Waste Water projects completed	4 Waste Water projects completed	7 Waste Water projects completed	2 Waste Water projects completed
To facilitate sustainable Human Settlements by 2022 as per SLA	Implementation of Human Settlement Plan	Implementation of SLA with DoHS	No of Human settlements programmes supported	SD1-12	03 Programmes	3 Human Settlements programmes implemented	3 Human Settlements programmes implemented	3 Human Settlements programmes implemented	3 Human Settlements programmes implemented	3 Human Settlements programmes implemented

PROGRAMME OBJECTIVE	5 YEAR OUTCOME	Strategies	KPI	KPI Code	Baseline	Targets				
						2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
To provide municipal health services in accordance with relevant legislations	Healthy communities	Monitor compliance of waste water quality with relevant legislation	% compliance of waste water in accordance with R991 and section 39 of National Water Act 36 of 1998	SDI - 13	41%	75% compliance waste water quality standard	75% compliance waste water quality standard	75% compliance waste water quality standard	75% compliance waste water quality standard	75% compliance waste water quality standard
		Monitor compliance of drinking water quality with SANS 241	% compliance of drinking water with SANS 241	SDI – 14	93%	97% compliance with drinking water quality standard	97% compliance with drinking water quality standard	97% compliance with drinking water quality standard	97% compliance with drinking water quality standard	97% compliance with drinking water quality standard
	Healthy communities	Monitor and support food premises in accordance with relevant legislation	Number of food premises monitored and supported	SDI - 15	560 food premises monitored and supported	560 Number of food premises monitored and supported	560 Number of food premises monitored and supported	560 Number of food premises monitored and supported	560 Number of food premises monitored and supported	560 Number of food premises monitored and supported
To provide municipal health services in accordance with relevant legislations		Monitor and support funeral parlours in accordance with relevant legislation	Number of funeral parlours monitored, supported and capacitated	SDI - 16	70 funeral parlours	70 funeral parlours monitored, supported and capacitated	70 funeral parlours monitored, supported and capacitated	70 funeral parlours monitored, supported and capacitated	70 funeral parlours monitored, supported and capacitated	70 funeral parlours monitored, supported and capacitated
		Monitor compliance with White Paper on Basic	Number of sampled sanitation structures	SDI - 17	120 Sanitation structu	45 sampled sanitation structures inspected for	45 sampled sanitation structures inspected for	45 sampled sanitation structures inspected for	45 sampled sanitation structures inspected for	45 sampled sanitation structures inspected for

PROGRAMME OBJECTIVE	5 YEAR OUTCOME	Strategies	KPI	KPI Code	Baseline	Targets				
						2017/2018	2018/2019	2019/2020	2020/2021	2021/2022
		Household Sanitation of 2001	inspected for compliance		res inspected	compliance	compliance	compliance	compliance	compliance
To ensure effects of disaster and fire are prevented or minimized		Development and implementation of Disaster Management Plan	Number of Scientific Risk Assessment developed and adopted	SDI-18	1 Disaster management plan in place	1. Scientific Risk Assessment adopted	Development and implementation of Disaster management plan	Implementation of Disaster Management Plan	Implementation of Disaster Management Plan	Implementation of Disaster Management Plan
	Reduced fire risks	Implementation of District Fire services status quo report.	Number of Fire Services programmes implemented	SDI - 19	1 Fire services status quo report in place	3 fire services programmes implemented	3 fire services programmes implemented	3 fire services programmes implemented	3 fire services programmes implemented	3 fire services programmes implemented
			Percentage response to emergencies	SDI - 20		100% response to reported cases	100% response to reported cases	100% response to reported cases	100% response to reported cases	100% response to reported cases

KPA No-3: LOCAL ECONOMIC DEVELOPMENT

3.To ensure development and implementation of regional economic strategies and effective Spatial Planning and Land Use Management approaches as drivers for economies of scale and social cohesion.

PROGRAMME OBJECTIVE	5YR OUTCOME	STRATEGY	KPI	KPI Code	ANNUAL TARGETS					
					Baseline	2017/18	2018/19	2019/20	2020/21	2021/22
To ensure provision for the inclusive, developmental, equitable and efficient spatial planning by 2030	Transformed spaces and inclusive land use	Implementation of SPLUMA	Number of Spatial Planning programmes implemented as per SPLUMA	LED - 1	03 SPLUMA programmes	04 Spatial Planning programmes implemented as per SPLUMA	03 Spatial Planning programmes implemented as per SPLUMA	03 Spatial Planning programmes implemented as per SPLUMA	03 Spatial Planning programmes implemented as per SPLUMA	03 Spatial Planning programmes implemented as per SPLUMA
		Implementation of Small Town Revitilisation programmes	Number of Small Town Revitilisation programmes implemented	LED-2	3 Small Town programmes	03 Small Town Revitilisation programmes implemented	03 Small Town Revitilisation programmes implemented	03 Small Town Revitilisation programmes implemented	03 Small Town Revitilisation programmes implemented	03 Small Town Revitilisation programmes implemented
To improve the economic growth of the district by 5 percent	Improved regional economy	Implementation of CHREDS	Number of Agricultural programmes implemented	LED - 3	5 Programmes	05 Agriculture programmes implemented	05 Agriculture programmes implemented	05 Agriculture programmes implemented	05 Agriculture programmes implemented	05 Agriculture programmes implemented

			Number of SMME/Business support programs implemented	LED-4	3 Programmes	03 SMME programmes implemented	03 SMME programmes implemented	03 SMME programmes implemented	03 SMME programmes implemented	03 SMME programmes implemented
			Percentage budget spent on Local Businesses benefiting through PreferentialProcurement Regulation	LED-5	Learner Contractor programme	30 % of Budget spent on Local Businesses as per Preferential Procurement	30 % of Budget spent on Local Businesses as per Preferential Procurement	30 % of Budget spent on Local Businesses as per Preferential Procurement	30 % of Budget spent on Local Businesses as per Preferential Procurement	30 % of Budget spent on Local Businesses as per Preferential Procurement
			Number of Tourism programmes implemented	LED-6	03 Programmes	03 Tourism Programmes implemented	03 Tourism Programmes implemented	03 Tourism Programmes implemented	03 Tourism Programmes implemented	03 Tourism Programmes implemented
			Number of Forestry programmes implemented	LED-7	02 Programmes	03 Forestry Programmes implemented	03 Forestry Programmes implemented	03 Forestry Programmes implemented	03 Forestry Programmes implemented	03 Forestry Programmes implemented

KPA No 4: FINANCIAL MANAGEMENT AND VIABILITY

4. **To Ensure an Effective, Efficient and Co-ordinated Financial Management that enables CHDM to deliver its mandate.**

PROGRAMME OBJECTIVE	5YR OUTCOME	STRATEGY	KPI	KPI Code	Baseline	ANNUAL TARGETS				
						2017/18	2018/19	2019/20	2020/21	2021/22
Ensure sound financial management	Sound financial Management and compliance with legislation	Compilation of Credible Budgets and financial reports	Number of credible budgets and financial reports compliled and submitted	FMV-1	4 Credible Budget	4 credible budgets approved by Council	4 credible budgets approved by Council	4 credible budgets approved by Council	4 credible budgets approved by Council	4 credible budgets approved by Council
		Development and implementation of Revenue Enhancement Strategy	Number of Revenue Enhancement programmes implemented	FMV-2	None	05 Revenue Enhancement programmes implemented	05 Revenue Enhancement programmes implemented	05 Revenue Enhancement programmes implemented	05 Revenue Enhancement programmes implemented	05 Revenue Enhancement programmes implemented
		Implementation of SCM Policy and Expenditure framework	Number of SCM and Expenditure programmes implemented	FMV-3	6 Programmes	06 SCM & Expenditure programmes implemented	06 SCM & Expenditure programmes implemented	06 SCM & Expenditure programmes implemented	06 SCM & Expenditure programmes implemented	06 SCM & Expenditure programmes implemented
		Implementation of PPPFA	Percentage of Supplies paid within 30 Days	FMV-4	50% paid within 30 days	100% payment of supplies within 30 days	100% payment of supplies within 30 days	100% payment of supplies within 30 days	100% payment of supplies within 30 days	100% payment of supplies within 30 days

		GRAP Compliant Asset Register	Number of GRAP compliant Asset Register and Inventory Management programmes implemented	FMV-5	Asset Register	Develop GRAP Compliant Asset Register. Two inventory programmes implemented.	Develop GRAP Compliant Asset Register.	Develop GRAP Compliant Asset Register.	Develop GRAP Compliant Asset Register.	Develop GRAP Compliant Asset Register.
		Compilation of GRAP Compliant AFS	Number of GRAP Compliant AFS compiled	FMV-6	2015/16 AFS	04 AFS compiled	04 AFS compiled	04 AFS compiled	04 AFS compiled	04 AFS compiled
		Integration of financial system	Percentage of financial systems integrated	FMV-7	50 % integrate systems	80% integration of financial systems	90% integration of financial systems	100% integration of financial systems	100% integration of financial systems	100% integration of financial systems

KPA No-5: Good Governance and Public Participation:

5.To create an efficient effective accountable and Performance oriented administration..

PROGRAMME OBJECTIVE	**5YR OUTCOME**	**Strategy**	**KPI**	**KPI code**	**Baseline**	ANNUAL TARGETS				
						2017/18	**2018/19**	**2019/20**	**2020/21**	**2021/22**
To enhance communication, stakeholder Management and Custome	Informed stakeholders	Implementation of Communication Strategy	No of Communication programmes implemented	GGPP-1	1 Communication Strategy in place	05 Programmes implemented	05 Programmes implemented	05 Programmes implemented	05 Programmes implemented	05 Programmes implemented

Care		Implementation of Public Participation Strategy	No of Stakeholder Engagement Programmes undertaken	GGPP-2	1 Public Participation Strategy in place	04 Stakeholder Engagement Programmes implemented	04 Stakeholder Engagement Programmes implemented	04 Stakeholder Engagement Programmes implemented	04 Stakeholder Engagement Programmes implemented	04 Stakeholder Engagement Programmes implemented
	Informed Communities		No of Awareness Campaigns conducted	GGPP-3	18 Awareness campaigns conducted	18 Awareness campaigns conducted	18 Awareness campaigns conducted	18 Awareness campaigns conducted	18 Awareness campaigns conducted	18 Awareness campaigns conducted
	Satisfied Customers	Implementation of Customer Care Strategy	No of Customer Care Programmes implemented	GGPP-4	Customer Care Strategy	03 Customer Care Programmes	03 Customer Care Programmes	03 Customer Care Programmes	03 Customer Care Programmes	03 Customer Care Programmes
To ensure clean administration and accountable governance	Good Governance	Development and Implementation of Risk-Based Operational Plan	Percentage reduction in recurring finds (internal and External)	GGPP-5	1 Risk Based Operational Plan in place	04 Risk-Based Operational Plans implemented	04 Risk-Based Operational Plans implemented	04 Risk-Based Operational Plans implemented	04 Risk-Based Operational Plans implemented	04 Risk-Based Operational Plans implemented
		Implementation of Risk Management Framework	No of Risk Management Programmes implemented	GGPP-6	Risk Management Framework	04 Risk Programmes implemented	04 Risk Programmes implemented	04 Risk Programmes implemented	04 Risk Programmes implemented	04 Risk Programmes implemented
		Implementation of PMS Framework	Number of PMS Programmes implemented	GGPP-7	4 Programmes	05 PMS programmes implemented	05 PMS programmes implemented	05 PMS programmes implemented	05 PMS programmes implemente	05 PMS programmes implemented

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To facilitate and coordinate integrated Special Programmes	Mainstreamed programmes	Mainstreaming of Special Programmes	Number of Special Programmes implemented	GGPP-8	8 Special Programmes	08 Special programmes implemented	08 Special programmes implemented	08 Special programmes implemented	08 Special programmes implemented	08 Special programmes implemented
To ensure integrated approach to service delivery	Improved Service Delivery	Implementation of Integrated Service Delivery Model	Number of Integrated Service Delivery programmes implemented	GGPP-9	1 Strategy in place	12 ISD programmes implemented	12 ISD programmes implemented	12 ISD programmes implemented	12 ISD programmes implemented	12 ISD programmes implemented
	Improved service delivery	Development and implementation of Municipal Support Plan	Number of Municipal Support programmes undertaken	GGPP-10	3 Municipal Support Plans	06 Municipal Support Programmes implemented	06 Municipal Support Programmes implemented	06 Municipal Support Programmes implemented	06 Municipal Support Programmes implemented	06 Municipal Support Programmes implemented
Development and implementation of Credible Plans aligned to NDP 2030	Improved Service Delivery	Development and reviewal of Credible plans	Number of Servive delivery plans developed and implemented	GGPP-11	2012-2017 IDP	18 service delivery plans developed and implemented	18 service delivery plans implemented and reviewed	18 service delivery plans implemented and reviewed	18 service delivery plans implemented and reviewed	18 service delivery plans implemented and reviewed

CHDM CAPITAL PROJECTS 2017-2020

	MIG CAPITAL PROJECTS FOR 2017/18-2018/19-2019/20			
MUNICIPALITY	**PROJECTS**	**2017/18**	**2018/19**	**2019/20**
EMALAHLENI LM				
	Cluster 1 Waterbacklog (Wards 7,8 ,10,13,14)			
	Water Backlog CHDM Cluster 1 Mhlanga Water Supply	**R 20 054 810.00**	**R 20 000 000.00**	**R 2 000 000.00**
	Water Backlog CHDM Cluster 1 Mhlanga and Mgwalana Bulk Water Supply		R 4 303 772.00	R 15 625 325.00
	Cluster 2 Water Backlog (Wards 1,2,4&6)			
	Cluster 2 Water backlog Project - Regional Scheme 3: Phase 1A	R 131 000.00		
	Cluster 2 Water backlog Project - Regional Scheme 3: Phase 1B	R 171 000.00		
	Cluster 2 Water backlog: Regional Scheme 6 - Xonxa	R 100 000.00		
	Cluster 2 Water backlog Project - RS1 Phase 1: Nkolonga, Sikhwanqeni Water Supply	R 210 000.00		
	Region 3 Sanitation Backlog			
	Cluster 4 sanitation (Wards 2,3,4,5,15,16,Vukani Guba,& Percy Villages)	**R 5 000 000.00**	**R 5 000 000.00**	**R 5 000 000.00**
	Cluster 3 Sanitation(Wards 7,8,9,10,11,12,13& 14)			
	Dodrecht Water and Sanitation Services			
	Immediate Water Supply Upgrades	R 7 500 000.00		
	Internal Sewer Reticulation in Tyoksville (Herry Gwala)			R 5 000 000.00
	Upgrading of Wastewater Treatment Works - Phase 2B: Planning	R 2 000 000.00		
	Upgrading of Wastewater Treatment Works - Phase 2B: Implementation		R 2 937 180.00	R 5 000 000.00
	Upgrading of Bulk Sewer and Reticulation -Phase 2 C: Planning	R 937 180.00	R 1 062 820.00	R 2 000 000.00
	Upgrading of Bulk Sewer and Reticulation -Phase 2 C: Implementation			R 1 000 000.00
	Upgrading of Water Treatment Works - Phase 3	R 0.00	R 1 000 000.00	R 2 000 000.00
	Upgrading of Bulk Water Supply -Phase 4: Planning	R 0.00	R 4 000 000.00	R 2 000 000.00
	Upgrading of Bulk Water Supply -Phase 4: Implementation		R 0.00	R 1 000 000.00
TOTAL EMALAHLENI LM		**R 36 103 990.00**	**R 38 303 772.00**	**R 40 625 325.00**
ENOCM MGIJIMA LM	**Molteno Sewer Bulk**	R 11 886 150.00	R 20 000 000.00	R 10 000 000.00
	Molteno Oxidation Ponds	R 7 000 000.00		
	Upgrading of Molteno Oxidation Ponds : Rehabilitation of Existing Ponds Walls			

TOTAL ENOCH MGIJIMA LM		**R 18 886 150.00**	**R 14 732 220.00**	**R 15 625 125.00**
INTSIKA YETHU LM				
	Ward 8 Sanitation	R 0.00	R 5 000 000.00	R 1 000 000.00
	Ward 3 Sanitation VIP toilets(1230 H/H)_Cofimvaba EU Sanitation	R 8 531 664.85	R 1 000 000.00	R 0.00
	Intsika Yethu Sanitation - Amanzabantu	R 0.00	R 2 000 000.00	R 7 000 000.00
	Cofimvaba Bulk Water and Sewer Services	R 500 000.00	R 1 500 000.00	R 14 000 000.00
	Cluster 2 Water backlog(Ward1,4,5,6,7)			
	Regional Scheme 4 Phase 1B	R 2 491 477.33	R 300 000.00	
	Regional Scheme 5 Phase 1			
	Regional Scheme 5 Phase 3	R 9 000 000.00	R 9 000 000.00	R 8 000 000.00
	Regional Scheme 2 Phase 1	R 9 000 000.00	R 21 021 768.00	R 8 686 405.00
	Tsomo Rdp 2 (Quatsa water supply)	R 2 000 000.00		
	Cluster 6 Sanitation (Wards 1,2,3,4,6,7,8,9,22 & 23)	R 3 500 000.00	R 3 000 000.00	R 3 000 000.00
	Cluster 7 Sanitation (Wards 10,11,12,14 & 20)	R 3 500 000.00	R 3 000 000.00	R 3 000 000.00
	Cluster 8 Sanitation (Wards 15,16,17,18,19)	R 3 500 000.00	R 3 000 000.00	R 3 000 000.00
	Tsomo Bulk Services(New Housing Development In Tsomo)	R 4 096 687.17	R 1 500 000.00	R 7 000 000.00
	Cluster 4 Water Backlog			
	Cluster 4 Ncora Zone A villages	R 4 479 230.65		
	Kwamzolo Water Supply	R 7 000 000.00	R 5 000 000.00	R 1 564 145.00
	Gesini B Water Supply (Vuyisile Mini)	R 3 500 000.00	R 3 000 000.00	R 500 000.00
	Ncora Flats Reticulation		R 6 500 000.00	R 12 000 000.00
Total Intsika Yethu LM		**R 61 099 060.00**	R 64 821 768.00	R 68 750 550.00
INXUBA YETHEMBA LM				
	Cradock Bulk Services(Water and Sanitation)	R 2 000 000.00	R 30 000 000.00	R 30 000 000.00
TOTAL INXUBA YETHEMBA LM		**R 2 000 000.00**	**R 14 732 220.00**	**R 15 625 125.00**
ENOCH MGIJIMA LM				
	RA 60 Hewu Bulk Water Supply (phase 6)	R 50 000.00		
	RA 60 Hewu Bulk Water Supply (phase 7)	R 17 000 000.00	R 20 000 000.00	R 30 000 000.00
	Rathwick Water and Sanitation			
	New Rathwick bulk services Phase 3A	R 40 000.00		

	New Rathwick bulk services Phase 3B	R 40 000.00		
	New Rathwick bulk services Phase 4 pumpstation	R 14 228 450.00		
	New Rathwick bulk services Phase 5 Water Treatment Works	R 500 000.00	R 25 000 000.00	R 5 000 000.00
	New Rathwick bulk services Phase 6 Resevoir and Pipeline			
	Ilinge Bulk Services	R 800 000.00	R 30 000 000.00	
	Cluster 1 Water backlog (ward 27)			
	Cluster 1 Water supply backlog - lesseyton			
	Cluster 1 Water supply backlog - Zingquthu	R 300 000.00		
	Cluster 1 Water supply backlog phase 2	R 700 000.00	R 15 000 000.00	
	Cluster 1 Sanitation (Wards 5,11,12,13,14,18,27	R 2 000 000.00		
	Cluster 2 Sanitation (Wards 1,2,3,4,6,23,19,20,23,24,25,26,	R 6 000 000.00		
TOTAL ENOCH MGIJIMA LM		**R 41 658 450.00**	**R 44 196 660.00**	**R 46 875 375.00**
ENGCOBO LM	Engcobo treatment works	R 0.00	R 27 850 294.33	R 34 000 000.00
	Extension 11 Bulk Services	R 0.00	R 0.00	R 2 000 000.00
	Cluster 5 Water Backlog		R 0.00	R 1 712 505.00
	Zadungeni and Luthuthu Water Supply	R 7 000 000.00		
	Cluster 6 Water Backlog(Ward 9,13,15,16))	R 2 500 000.00		
	Lokshini Villages Water Supply Phase 1	R 2 000 000.00		
	Dulati ,Ntshinga and Nqancule Villages Water Supply	R 14 675 040.97	R 1 500 000.00	R 0.00
	Gubenxa Villages internal water supply	R 2 500 532.09	R 10 038 045.00	R 16 038 045.00
	Lokshini Villages Water Supply Phase 2	R 0.00	R 6 000 000.00	R 7 000 000.00
	Lixeni, Ncityana & Kumbeke Village Retic	R 0.00	R 7 005 800.00	R 3 000 000.00
	Cluster 7 Water Backlog(Ward 7,8,9,10,11,15)	R 2 500 000.00		
	Msintsana Phase 2 Project	R 500 000.00	R 0.00	R 0.00
	Skobeni water supply	R 0.00	R 0.00	R 0.00
	Construction of Dam	R 0.00	R 1 969 120.41	R 1 000 000.00
	Bulk Pipeline & Bulk Reservoirs	R 0.00	R 1 503 108.42	R 1 000 000.00
	Abstraction Works	R 0.00	R 1 530 561.16	R 1 000 000.00
	Water Treatment Works	R 0.00	R 2 424 838.68	R 1 000 000.00
	Cluster 8 Water backlog(Ward 16,17,18)	R 0.00	R 5 000 000.00	R 1 000 000.00
	Tora Water Treatment Works	R 16 423 486.94	R 0.00	R 0.00
	Lunda Village Reticulation Project	R 4 000 000.00	R 0.00	R 0.00
	Cluster 9 Sanitation (Wards 1,2,3,4 & 6)	R 3 000 000.00	R 0.00	R 0.00
	Cluster 10 Sanitation (Wards 7,8,,10,11 &12)	R 3 000 000.00	R 0.00	R 0.00

	Cluster 11 Sanitation (Wards 13,15 & 16)	R 3 000 000.00	R 0.00	R 0.00
TOTAL ENGCOBO LM		**R 61 099 060.00**	**R 64 821 768.00**	**R 68 750 550.00**
SAKHISIZWE LM	**Elliot Waste Water Treatment Works**			
	Upgrading of the Elliot Waste Water Treatment Works	R 3 578 265.00		
	Construction of Pump Station with Bulk Collector Sewers - Phase 2			R 15 000 000.00
			R 14 277 057.76	R 15 000 000.00
	Region 3 Sanitation Backlog		R 9 000 000.00	
	Cluster 5 Sanitation (Wards 2,3,4,7 and Taleni)	R 500 000.00		R 8 688 325.00
			R 2 908 888.82	
	Cluster 4 waterbacklog(Wards 6,7,& 4)			
	Mthingwevu Water Supply Scheme	R 16 368 745.00		**R 1 937 000.00**
	Upper Lufutha Interim Water Supply	R 5 166 980.00	R 12 117 825.42	
	Upper Lufutha Ext (Mbodlana) Interim Water Supply	R 5 000 000.00		
	Cala Bulk Water and Sanitation Services			
	upgrading of Cala Wastewater Treatment Works - Phase 1	R 4 600 000.00		
	upgrading of Cala Bulk Gravity Collector Sewers - Phase 2	R 890 000.00		
	upgrading of Cala Bulk Gravity Collector Sewers - Phase 3			
TOTAL SAKHISIZWE LM				
ENOCH MGIJIMA LM	Cluster 1 Sanitation (Ward 2 & 3	R 3 000 000.00		
	Rehabilitation of Sewer Ponds-Hofmeyer	R 1 000 000.00	R 15 000 000.00	R 15 000 000.00
	Tarkastad Bulk Services	R 500 000.00		
	Upgrade of Sewer Bulk Services Hofmeyer (Pump Station)	R 9 386 150.00		
TOTAL ENOCH MGIJIMA LM		**R 13 886 150.00**	**R 14 732 220.00**	**R 15 625 125.00**
GRAND TOTAL ALLOCATION		R 292 340 000.00	R 310 152 000.00	R 328 950 000.00

WATER SERVICE INFRASTRUCTURE GRANT				
MUNICIPALITY	**PROJECT**	**2017/18**	**2018/19**	**2019/20**
EMALAHLENI	**Cluster 2 Water Backlog**			
	Cluster 2 (Jiputa/Makhikhi; Emazimeni ;Emaqwathini ;Noluthando/Emagefaneni; Lukhavana) - Phase 2	R 13 547 837	1 000 000.00	-

	Cluster 2 RS 1 - 1B (Gcina ;Qumbu ;Hala ;Mbetheni ;Kuliweni ;Xhibeni and Lokishini)- Phase 1		20 000 000.00	15 000 000.00
	Gqebenya Small Farms Interim Water Supply		6 500 000.00	4 500 000.00
	Mdeni Interim Water Supply	R 5 544 000	4 612 954.00	
	Cluster 2 Water backlog Project - Regional Scheme 3: Luthuthu Water Supply		1 500 000.00	6 730 888.00
	Cluster 2 Water backlog Project - Regional Scheme 3: Phase 1C		8 000 000.00	7 901 492.00
	Cluster 2 Water backlog Project - Regional Scheme 3: Phase 1D		7 500 000.00	7 417 620.00
	Refurbishment of Dordrecht WTW		5 700 000.00	
	Water Conservation and Demand Management at Dordrecht		6 400 000.00	
TOTAL EMALAHLENI		**R 19 091 837.00**	**R 61 212 954.00**	**R41 550 000.00**
SAKHISIZWE LM				
	Cluster 4 Water Backlog			R 14 000 000.00
	Cluster 4 (Lower Langanci; Upper Indwana; Upper Mnxe) -Phase 2	R 96 000	R 8 316 046.00	R 450 000.00
	Elliot: Polar Park Water Services			
	Elliot: Polar Park Water Services - Phase 4	R 6 000 000	R 1 500 000	R 0
	Gubenxa and Maxongo's Hoek Interim Water Supply		R 5 000 000	R 7 500 000
	Refurbishment of Cala Bulk Water		R 2 500 000.00	R 2 500 000.00
	Water Conservation Management Elliot Old Location		R 2 500 000.00	R 2 500 000.00
TOTAL SAKHISIZWE		**R 6 096 000.00**	**R 19 816 046.00**	**R 26 950 000.00**
INTSIKA YETHU LM	**Cluster 4 Water Backlog**			**R 15 000 000.00**
	Cluster 4 (Gesini Kwamzola;Melika Matlanyile A&BNgqara;Mtshabe Mdeni T Mhlahlane F Ezantsi C Jerusalem A;Mgingqini A - Phase 2	R12 082 353.57	R12 485 000.00	R12 000 000.00
	Tsomo RDP3 Water Supply			
	Tsomo RDP3 (East Bank;Daza; Ntenza;Vrystad;Zolo			
	Tsomo RDP3 (East Bank;Daza; Ntenza;Vrystad;Zolo - Phase 2	R 7 873 842.02		
	Cluster 2 Water Supply			
	Refurbishment of Tsojana Bulk Line			R3 000 000.00
TOTAL INTSIKA YETHU LM		**R 19 956 195.59**	**R12 485 000.00**	**R 30 000 000.00**
ENGCOBO LM			-	-
	Cluster 7 Water Backlog			
	Cluster 7 (Eluhweni-Vetyu; Nkwenkwana A; Malanganzana; Qoloweni E; Mbilini;	R 4 314 756.36	-	-

	Eqoloweni A; Mqanda B,C			
	Cluster 7(Didi Water Supply)	R 3 441 211.05		
	Cluster 8 Water Backlog			
	Cluster 8 (Nquthura; Chaba E,D;Nxamagele A,B; Emqonci; Ndlunkulu A	R 4 600 000.00	R 2 000 000.00	
	Cluster 6 Water Backlog		R 250 000.00	-
	Cluster 6 (Mnyolo;Zabura;Ndlunkulu B;Sandile A; Kusandile)	R13 000 000.00	R 250 000.00	
	Region 1 Sanitation Backlog	R 5 000 000	R 500 000.00	R5 000 000
	Augmentation of Engcobo Rural Scheme	R 2 500 000.00	R 2 500 000.00	R 2 500 000.00
	Augmentation of Qitsi Rural Scheme			
TOTAL ENGCOBO		**R 32 855 967.41**	**R 9 750 000.00**	**R 7 500 000.00**
INXUBA YETHEMBA	Rosmead Package Plant WWTW			
	Rosmead Sewer Network Connection	R2 000 000.00	R2 000 000.00	
TOTAL INXUBA LM		**R2 000 000.00**	**R2 000 000.00**	
ENOCH MGIJIMA	Augmentation of Tarkastad Scheme		R 2 000 000.00	R2 000 000.00
TOTAL ENOCH MGIJIMA LM			**2 000 000.00**	R 2 000 000.00
GRAND TOTAL		**R80 000 000.00**	**R 107 264 000.00**	**R 108 000 000.00**
CAPITAL RBIG PROJECTS				
INTSIKA YETHU	Cluster 9 Water backlog (Ward 13)	R 95 000 000.00	R 75 000 000.00	R 7 000 000.00
	Tsomo WTW and abtraction works	R 118 202 283.00		
	Tsojana Southern bulk			
	Cluster 4 Water Backlog	R 45 000 000	R 40 000 000	R 8 000 000
	Ncora Water Treatment Works			
	Lubisi Bulk Pipeline from Skhungwini to Ndonga	R 26 138 400		
	Lubisi Bulk Pipeline from Ndonga to Lady Frere			
	Construction of bulk rising main to cluster 5			
	lubisi wtw and buklines	R 11 904 494		
	Gugwini reservoir	R 6 957 107		
	Primary pipeline to Zone B Reservoir at Ngxabangu			
TOTAL INTSIKA YETHU LM		**R 303 202 283**	**R 115 000 000**	**R 15 000 000**
ENOCH MGIJIMA	Augment Queenstown water supply(Xonxa)			
	Phase 3 Pumping Main			
	Phase 4 Gravity Main			

	Phase 5 mechanical electrical			
	Phase 6 machibini	R 23 000 000		
		R 3 000 000		
TOTAL ENOCH MGIJIMA		**R 26 000 000**	**R 7 000 000**	**R 5 000 000**
ENGCOBO LM	Cluster 6 Water Backlog(Ward 9,13,15,16))	R 35 000 000.00	R 7 000 000.00	R 5 000 000.00
	Gqaga water treatment works			
	Gqaga rising main East			
	Gqaga rising main West			
	Sitholeni Bulk			
	Kumbeke and Hlophekazi Bulk Supply			
	Lokishini Bulk Supply Line			
TOTAL ENGCOBO LM		**R 35 000 000**	**R 7 000 000**	**R 5 000 000**
ENOCH MGIJIMA	**Hofmeyer Water Supply**	R 500 000	R 0	R 0
Total ENOCH MGIJIMA		**R 500 000**	**R0**	**R0**
INXUBA YETHEMBA	**Middelburg Water Provision**	R 7 000 000	R 3 000 000	R 0
TOTAL INXUBA LM		**R 7 000 000**	**R 3 000 000**	
GRAND TOTAL ALLOCATION		**R 371 702 283**	**R 132 000 000**	**R 25 000 000**
	Road Asset Management	R 3 286 000.00	R 3 427 000.00	

CHDM EQUITABLE SHARE PROJECTS

Integrated Planning & Economic Development (IPED)

LOCAL ECONOMIC DEVELOPMENT	
Agriculture	R13 050 000.00
Heritage and Tourism	R9 500 000.00
Forestry	R3 500 000.00
Forums	R50 000.00
Community Facilitation	R100 000.00
TOTAL	**R26 200 000.00**
PLANNING & DEVELOPMENET	
Spatial Transformation/Small Town Revitilisation	R9 000 000.00
Development Planning	R1 000 000.00
TOTAL	**R10 00 000.00**
BUSINESS DEVELOPMENT	
Capacity	R500 000.00
Enterprise Support	R2 000 000.00
Incubation	R2 000 000.00
Industrial support	R3 000 000.00
TOTAL	**R7 000 000.00**
HUMAN SETTLENT	
Destitute	R1 500 000.00
TOTAL	**R1 500 000.00**

SECTOR DEPARTMENTS PROJECTS 2017-2022

EASTERN CAPE DEPT OF SOCIAL DEVELOPMENT

SOCIAL WELFARE SERVICES

PROJECT NAME	LOCAL MUNICIPALITY	WARD	BUDGET	Financial Year
Elliot Old Age Home	Sakhisizwe	02	288 000	2017/18
Madeira Old Age Home	Enoch Mgijima	26	1 512 000	2017/18
John Vorster Old Age Home	Enoch Mgijima	25	1 872 000	2017/18
Nerinahof ACVV Old Age Home	Emalahleni	11	960 000	2017/18
Huis Tarkastad Home	Enoch Mgijima	04	360 000	2017/18
Middelburg Huis Silwerjare	Inxuba Yethemba	07	960 000	2017/18
Uniefeesherdenkingtehuis	Inxuba Yethemba	08	408 000	2017/18
Elizabeth Jordan Old Age	Inxuba Yethemba	05	864 000	2017/18
Midros Service Centre	Inxuba Yethemba	07	96 000	2017/18
ACVV Sonskyn Service Centre	Inxuba Yethemba	04	72 000	2017/18
Lingelihle Old Age Care Centre	Inxuba Yethemba	02	84 000	2017/18
J.A. Calata Service Centre	Inxuba Yethemba	02	72 000	2017/18
Masiphathisane Service Centre	Inxuba Yethemba	05	72 000	2017/18
Ithembalethu Service Centre	Inxuba Yethemba	04	96 000	2017/18
Mziwethemba Service Centre	Inxuba Yethemba	01	72 000	2017/18
Look Ahead Service Centre	Inxuba Yethemba	03	72 000	2017/18
Masibambane Service Centre	Enoch Mgijima	10	48 000	2017/18
Queenstown Service Centre	Enoch Mgijima	24	60 000	2017/18
Sinqandindlala Service Centre	Enoch Mgijima	12	67 200	2017/18

Nomzamo Community Project	Enoch Mgijima	02	48 000	2017/18
Ekuphumleni Community Centre	Enoch Mgijima	01	84 000	2017/18
Sterkstroom Service Centre	Enoch Mgijima	03	84 000	2017/18
Bangakhula Service Centre	Enoch Mgijima	25	48 000	2017/18
Aloe Park Senior Citizens Service Club	Enoch Mgijima	10	60 000	2017/18
Zola Older Persons Centre	Ngcobo	10	48 000	2017/18
Masivukeni Qumanco Centre	Ngcobo	07	60 000	2017/18
Masiphakameni Badala Service Centre	Ngcobo	13	60 000	2017/18
Dalubuhle Older Person's Centre	Ngcobo	20	60 000	2017/18
Siyazama Centre for Old Residents	Ngcobo	03	120 000	2017/18
Mqonci Older Person's Centre	Ngcobo	02	60 000	2017/18
Khanyisa Older Persons Centre		17	60 000	2017/18
Masiphumelele Zabasa Older Persons Centre		19	72 000	2017/18
				2017/18
Ngqurhu Community Project for Elderly	Ngcobo	16	60 000	2017/18
Isakhanani Silindini Older Persons's Centre	Ngcobo	13	48 000	2017/18
Nompumelelo Service Centre	Ngcobo	12	48 000	2017/18
Sondelani Service Centre	Emalahleni	03	96 000	2017/18
Siyavuya Service Centre	Emalahleni	12	96 000	2017/18
Xonxa Service Centre	Emalahleni	01	108 000	2017/18
Khanyisa Service Centre	Emalahleni	01	48 000	2017/18
Vukutye Service Centre	Emalahleni	03	48 000	2017/18
Lady Frere Service Centre	Emalahleni	05	108 000	2017/18
Soyi Service Centre	Emalahleni	10	96 000	2017/18

Luxolo Service Centre	Emalahleni	10	76 800	2017/18
Masonwabe Hala Service Centre	Emalahleni	03	72 000	2017/18
Thembalethu Service Centre	Emalahleni	04	72 000	2017/18
Sosebenza Service Centre	Emalahleni	15	120 000	2017/18
Masakhe Service Centre	Emalahleni	17	216 000	2017/18
Masonwabe Vaalbank Service Centre	Emalahleni	08	48 000	2017/18
Ayabulela Service Centre	Emalahleni	03	72 000	2017/18
Hlanathi Service Centre	Emalahleni	05	96 000	2017/18
Sikhulile Service Centre	Emalahleni	01	72 000	2017/18
Noncedo Service Centre	Emalahleni	06	120 000	2017/18
Siyalinga Service Centre	Emalahleni	04	48 000	2017/18
Isidima Somntomdala Service Centre	Sakhisizwe	06	72 000	2017/18
Sibanye Service Centre	Sakhisizwe	02	72 000	2017/18
Mceula Old Age Project	Sakhisizwe	07	48 000	2017/18
Mzomhle Service Sentre	Sakhisizwe	03	72 000	2017/18
Noncedo Service Centre	Sakhisizwe	09	48 000	2017/18
Masifundisane Service Centre	Sakhisizwe	05	72 000	2017/18
Lumanyano Service Centre	Sakhisizwe	03	48 000	2017/18
Ekuphumleni Sercice Centre	Sakhisizwe	02	48 000	2017/18
Ndondo Old Age Service Centre	Sakhisizwe	05	72 000	2017/18
Masincedane Service Centre	Sakhisizwe	02	72 000	2017/18
Intlonipho Yabadala Service Centre	Sakhisizwe	05	48 000	2017/18
Xolisanani Service Centre	Sakhisizwe	06	48 000	2017/18
Masakhane Service centre	Sakhisizwe	03	48 000	2017/18
Sinenjongo Adult Association	Intsika Yethu	15	48 000	2017/18
Sinako Adult Association	Intsika Yethu	05	69 600	2017/18

Nonkathalo Service Centre	Intsika Yethu	09	48 000	2017/18
Tsomo Elderly	Intsika Yethu	08	52 800	2017/18
Masithembane Service Centre	Intsika Yethu	10	60 000	2017/18
Masakhane Service Centre	Intsika Yethu	04	48 000	2017/18
Holi Service Centre	Intsika Yethu	04	48 000	2017/18
Sikhanyisele Service Centre	Intsika Yethu	15	48 000	2017/18
Phakamani Service Centre	Intsika Yethu	12	48 000	2017/18
Masincedane Service Centre	Intsika Yethu	04	48 000	2017/18
Ikhwezi Lomso Service Centre	Intsika Yethu	13	48 000	2017/18
Cradock Family Resource Centre	Inxuba Yethemba	3	R 120.00	2017/18
Indwe Family Resource Centre	Emalahleni	15	R 120.00	2017/18
Ngcobo Family Preservation	Ngcobo	10	R105 .000	2017/18
Walala Wasala Care and Support Centre	Lukhanji	20	R 100.30	2017/18
Masiphuthane Single Parents Association	Intsika Yethu	13	R100 .000	2017/18
			R 545.30	2017/18
CMR Drakensberg Elliot	Sakhisizwe	**3**	R 447 830	2017/18
CMR Queenstown	Enoch Mgijima	**26**	R392.055.00	2017/18
Child Welfare South Africa Queenstown	Enoch Mgijima	**26**	R1297.556.00	2017/18
ACVV Dordrecht	Emalahleni	**11**	R168.140.00	2017/18
ACVV Cradock	Inxuba Yethemba	**8**	R336 280 .00	2017/18
Child Welfare South Africa Cradock	Inxuba Yethemba	**4**	R 624 997.00	2017/18
ACVV Middelburg	Inxuba Yethemba	**5**	R 168 140	2017/18
				2017/18

SADA Cluster Foster Homes	Enoch Mgijima	09	R 225.00	2017/18
				2017/18
Ndondo Square Isibindi	Sakhisizwe	05	R 1 047 240	2017/18
Isibindi Ilinge	Enoch Mgijima	02	R 891 480	2017/18
Isibindi Ezibeleni	Enoch Mgijima	20	R 822 840	2017/18
Emadlelweni Special DCC			R79 200	2017/18
Nomzamo Special Day Care Centre			R179 520	2017/18
Fransbury Thembelihle Special Day Care			R73 920	2017/18
Ethembeni Special Day Care			R73 920	2017/18
Phumelela Special Day Care Centre			R68 640	2017/18
Chamama Cheshire	Intsika Yethu	07	R 648 000	2017/18
Cynthia Gwabe Multi Skill Development Centre	Enoch Mgijima		36 000	2017/18
Ethembeni Protective Workshop	Enoch Mgijima	09	36 000	2017/18
Phumelela Protective Workshop	Enoch Mgijima	06	64 800	2017/18
Fransbury Thembelihle Protective Workshop	Enoch Mgijima	03	64 800	2017/18
Masizame Disabled Organisation	Inxuba Yethemba	04	33 600	2017/18
Siyathemba Protective Workshop	Emalahleni	11	60 000	2017/18
				2017/18
Masibambane Women Organisation	Intsika Yethu	12	266 587	2017/18
Umthombo Wesisa HCBC	Intsika Yethu	17	266 583	2017/18

Masibambane HCBC	Emalahleni	04	266 583	2017/18
Sakhingomso HCBC	Emalahleni	15	266 583	2017/18
Mzamomhle HCBC	Enoch Mgijima	02	266 583	2017/18
Sisonke HCBC	Enoch Mgijima	14	266 583	2017/18
Siyakhana HCBC	Sakhisizwe	03	266 583	2017/18
Sophila Sonke HCBC	Sakhisizwe	05	266 583	2017/18
Noncedo Home Community Based	Inxuba Yethemba	02	266 583	2017/18
Siyaphila Home Community Based	Enoch Mgijima	01	266 583	2017/18
Yolisa HCBC	Ngcobo	02	266 583	2017/18
Ilingelethu HCBC	Ngcobo	05	266 583	2017/18
				2017/18
CWSA Tsolwana Sparrow's Child and Youth Care Centre	Enoch Mgijima	04	R859 516	2017/18
Emmanuel Child and Youth Care Centre	Inxuba Yethemba	08	R 768 316	2017/18
Siyakhana Child and Youth Care Centre	Ngcobo	11	R 639 340	2017/18
				2017/18
Siyakhana Drop in Centre	Ngcobo	11	R 112 600.00	2017/18
Save the Children Drop Inn Centre	Mlungisi	25	R 112 600.00	2017/18
Fountain of Hope	Intsikayethu	14	R 112 600.00	2017/18
Middelburg Victim Support Centre	Inxuba Yethemba	08	200 000	2017/18
Cradock White Door Centre of Hope	Inxuba Yethemba	01	190 000	2017/18
Tarkastad White Door Centre of Hope	Enoch Mgijima	04		2017/18

			190 000	
Ntabethemba White Door Centre of Hope	Enoch Mgijima	03	200 000	2017/18
Hofmeyr White Door Centre of Hope	Inxuba Yethemba	05	190 000	2017/18
Kwakhanya WD	Inxuba Yethemba	06	100 000	2017/18
Sisonke White Door Centre of Hope	Enoch Mgijima	01	193 000	2017/18
Khuseleka Support Centre & Safe Home	Emalahleni	06	300 000	2017/18
Lavelilanga Gender Empowerment Project	Emalahleni	15	194 000	2017/18
Sakhisizwe White Door Centre	Emalahleni	10	120 000	2017/18
Dordrecht White Door Centre of Hope	Emalahleni	11	194 000	2017/18
Ezibeleni One Stop Centre	Enoch Mgijima	15	506 000	2017/18
Injongo Yesizwe Domestic Violence Project	Enoch Mgijima	01	190 000	2017/18
Luthuthu Victim Empowerment Project	Enoch Mgijima	27	170 000	2017/18
Mlungisi White Door Centre	Enoch Mgijima	17	200 000	2017/18

Nomaxabiso Victim Support Centre	Enoch Mgijima	26	192 181	2017/18
Elliot Victim Support Centre	Sakhisizwe	02	200 000	2017/18
Sakhisizwe Men as Partners	Sakhisizwe	05	120 000	2017/18
Domestic Violence Unit	Sakhisizwe	05	193 000	2017/18
Ngcobo Survivor Support Centre	Ngcobo	15	190 000	2017/18
Sakhisizwe Survivor Support Centre	Ngcobo	06	163 000	2017/18
Central White Door Centre of Hope	Ngcobo	11	200 000	2017/18
Mangunkone White Door Centre of Hope	Intsikayethu	06	196 019	2017/18
Cofimvaba White Door Centre of Hope	Intsikayethu	14	175 000	2017/18
Ndungwane W.D	Intsikayethu	12	200 000	2017/18
ThandubuntuWhite Door	Intsikayethu	04	150 000	2017/18
Bolotwa White Door	Intsikayethu	03	175 000	2017/18
Intsika Yethu TADA	**Intsikayethu**	ALL		2017/18

			135 000	
Lukhanji/Nkwanca TADA	Enoch Mgijima	All	140 000	2017/18
Ngcobo TADA	Ngcobo	All	134 000	2017/18
Emalahleni TADA	Emalahleni	ALL	135 000	2017/18
Cradock TADA	Nxuba Yethu	All	135 000	2017/18
Sakhisizwe TADA	Sakhisizwe	All	135 000	2017/18

EARLY CHILDHOOD DEVELOPMENT CENTRES

NAME OF PROJECTS	LOCAL MUNICIPALITY	WARD	BUDGET	
Masincedise Pre-School	Sakhisizwe	6	110 700	2017/18
Masibambane Pre-School	Sakhisizwe	2	110 700	2017/18
Nosiseko Pre-School	Sakhisizwe	5	113 775	2017/18
Masakhe Pre-School	Sakhisizwe	2	113 775	2017/18
Nomzamo Pre-School	Sakhisizwe	6	113 775	2017/18
Manzana Pre-School	Sakhisizwe	6	76 875	2017/18
Masizakhele Pre-School	Sakhisizwe	9	61 500	2017/18
Phumlani Pre-School	Sakhisizwe	9	116 850	2017/18

Nobuntu Pre-School	Sakhisizwe	3	76 875	2017/18
Iliso Labantwana Pre-School	Sakhisizwe	1	113 775	2017/18
Little Star Pre-School	Sakhisizwe	1	92 250	2017/18
Goodhope Pre-School	Sakhisizwe	5	113 775	2017/18
Goodhope Pre-School	Sakhisizwe	3	107 625	2017/18
Nobuhle Pre-School	Sakhisizwe	8	92 250	2017/18
Nokwakha Pre-School	Sakhisizwe	9	110 700	2017/18
Masithandane Pre-School	Sakhisizwe	6	92 250	2017/18
Ekuphumleni DCC	Sakhisizwe	3	76 875	2017/18
Noxolo Pre-School	Sakhisizwe	7	61 500	2017/18
Thembeni Pre-School	Sakhisizwe	7	92 250	2017/18
White City Pre-School	Sakhisizwe	7	61 500	2017/18
Seplan Pre-School	Sakhisizwe	8	95 325	2017/18
Siyabonga Pre-School	Sakhisizwe	7	76 875	2017/18
Masizakhe Pre-School	Sakhisizwe	6	113 775	2017/18
Khanyisile Pre-School	Sakhisizwe	8	76 875	2017/18
Masithwalisane Pre-School	Sakhisizwe	8	76 875	2017/18
Siyavuya Pre-School	Sakhisizwe	5	104 550	2017/18
Nompumelelo Pre-School	Sakhisizwe	4	92 250	2017/18
Siyazama Pre-School	Sakhisizwe	2	110 700	2017/18

Masikhanyise Pre-School	Sakhisizwe	2	110 700	2017/18
Kuyasa Pre-School	Sakhisizwe	2	110 700	2017/18
Nontsikelelo Pre-School	Sakhisizwe	7	73 800	2017/18
Kuyasa ECD	Sakhisizwe	7	73 800	2017/18
Masihlume Pre-School	Sakhisizwe	2	92 250	2017/18
Thembelihle Pre-School	Sakhisizwe	3	61 500	2017/18
Noncedo Day Care Centre	Emalahleni	16	76 875	2017/18
Unathi D.C.C	Emalahleni	1	76 875	2017/18
Khulile Day Care Centre	Emalahleni	17	76 875	2017/18
Gadlume Pre-School	Emalahleni	13	76 875	2017/18
Lady Frere DCC	Emalahleni	4	123 000	2017/18
Nobantu DCC	Emalahleni	2	76 875	2017/18
Mzamomhle DCC	Emalahleni	10	92 250	2017/18
St Catherine's DCC	Emalahleni	15	138 375	2017/18
Zanoxolo DCC	Emalahleni	10	92 250	2017/18
Vuyani DCC	Emalahleni	13	76 875	2017/18
Isiseko Pre-School	Emalahleni	2	76 875	2017/18
Bakaneni D.C.C	Emalahleni	4	79 950	2017/18
Nomzamo Pre-School	Emalahleni	13	76 875	2017/18
Nomzamo D.C.C	Emalahleni	1	76 875	2017/18
Sivumile Educare Centre	Emalahleni	3	76 875	2017/18
Qumbu DCC	Emalahleni	9	92 250	2017/18

Qoboshane DCC	Emalahleni	13	76 875	2017/18
Sizamele Pre-School	Emalahleni	14	76 875	2017/18
Sivuyisiwe Pre-School	Emalahleni	9	76 875	2017/18
Zolani Pre-School	Emalahleni	8	76 875	2017/18
Mzamomhle Day Care Centre	Emalahleni	7	92 250	2017/18
Vuselela D.C.C	Emalahleni	16	76 875	2017/18
Nokulunga Day Care Centre	Emalahleni	3	76 875	2017/18
Nomveliso Pre-School	Emalahleni	14	107 625	2017/18
Nompumelelo Pre-School	Emalahleni	10	107 625	2017/18
Makukhanye Day Care Centre	Emalahleni	431	76 875	2017/18
Masakhane Pre-School	Emalahleni	16	76 875	2017/18
Khanyisa Pre-School	Emalahleni	5	76 875	2017/18
Kuyasa Day Care Centre	Emalahleni	2	76 875	2017/18
Jekeni Nomzamo DCC	Emalahleni	8	76 875	2017/18
Gqebenya DCC	Emalahleni	6	92 250	2017/18
Buyani Pre-School	Emalahleni	16	107 625	2017/18
Emzi DCC	Emalahleni	6	76 875	2017/18
Lanti Bush DCC	Emalahleni	2	76 875	2017/18
Boomplaas DCC	Emalahleni	13	76 875	2017/18
Lanti Poort DCC	Emalahleni	2	76 875	2017/18
Little Fire DCC	Emalahleni	12	76 875	2017/18
Noluvuyo DCC	Emalahleni	2	76 875	2017/18
Nolukhanyo Pre-School	Emalahleni	13	76 875	2017/18

Nalisango DCC	Emalahleni	13	76 875	2017/18
Nompumelelo DCC	Emalahleni	10	76 875	2017/18
Nompumelelo DCC	Emalahleni	16	76 875	2017/18
Matyantya DCC	Emalahleni	6	76 875	2017/18
Masithembe DCC	Emalahleni	3	76 875	2017/18
Khanya DCC	Emalahleni	8	76 875	2017/18
Buffalo Thorns DCC	Emalahleni	8	76 875	2017/18
Mt Arthur DCC	Emalahleni	12	92 250	2017/18
Small Farm Pre-School	Emalahleni	6	76 875	2017/18
Vukani DCC	Emalahleni	16	79 950	2017/18
Thaleni DCC	Emalahleni	13	76 875	2017/18
St Cyprians Pre-School	Emalahleni	13	92 250	2017/18
Yimpucuko DCC	Emalahleni	11	92 250	2017/18
Vulindlela Pre-School	Emalahleni	6	92 250	2017/18
Siyakonwaba DCC	Emalahleni	8	76 875	2017/18
Zamokuhle DCC	Emalahleni	7	76 875	2017/18
Zubasdale DCC	Emalahleni	17	76 875	2017/18
Zikulise DCC	Emalahleni	7	76 875	2017/18
Ngqanda DCC	Emalahleni	12	76 875	2017/18
Nonkunzi DCC	Emalahleni	4	113 775	2017/18
Noluthando Pre-School	Emalahleni	12	76 875	2017/18
Isango DCC	Emalahleni	5	76 875	2017/18
Sinethemba DCC	Emalahleni	3	92 250	2017/18
Nozibele DCC	Emalahleni	6	76 875	2017/18

Binca D.C.C	Emalahleni	17	76 875	2017/18
Elangeni D.C.C	Emalahleni	6	76 875	2017/18
Vukani Pre-School (Ndonga)	Emalahleni	3	76 875	2017/18
Sifunulwazi DCC	Emalahleni	9	76 875	2017/18
Mikhaya DCC	Emalahleni	1	76 875	2017/18
Emadwaleni Pre-School	Emalahleni	3	76 875	2017/18
Masizakhe Day Care Centre	Emalahleni	3	104 550	2017/18
Vukuzenzele Day Care Centre	Emalahleni	17	76 875	2017/18
Ngcuka Day Care Centre	Emalahleni	4	76 875	2017/18
Harry Gwala Pre-School	Emalahleni	11	76 875	2017/18
Nosiseko Pre-School	Emalahleni	14	76 875	2017/18
Chumani D.C.C	Emalahleni	3	76 875	2017/18
Umhlanga Pre-School	Emalahleni	14	73 800	2017/18
Ikhwezi Pre-School	Emalahleni	14	61 500	2017/18
Nompumelelo DCC	Emalahleni	5	104 550	2017/18
Bolotwa Pre-School	Intsikayethu	17	70 725	2017/18
Bongolethu Day Care Centre	Intsikayethu	7	70 725	2017/18
Masizame Pre-School	Intsikayethu	8	67 650	2017/18
Nolukhanyo Pre-School	Intsikayethu	9	70 725	2017/18
Lower Woodehouse Pre-School	Intsikayethu	15	70 725	2017/18
Khanyisa Day Care Centre	Intsikayethu	10	67 650	2017/18
Intlangano Pre-School	Intsikayethu	1	70 725	2017/18

Masihlume Pre-School	Intsikayethu	8	70 725	2017/18
Nontyayambo Pre-School	Intsikayethu	9	70 725	2017/18
Mbudlu Pre-School	Intsikayethu	2	67 650	2017/18
Nyamankulu Pre-School	Intsikayethu	19	70 725	2017/18
Nomzamo Pre-School	Intsikayethu	19	70 725	2017/18
Sinethemba Pre-School	Intsikayethu	11	70 725	2017/18
Tamsanqa Pre-School	Intsikayethu	11	70 725	2017/18
Siyakha Pre-School	Intsikayethu	10	67 650	2017/18
Zizamele DCC	Intsikayethu	9	70 725	2017/18
Zamani Pre-School	Intsikayethu	13	64 575	2017/18
Mmangobomvu DCC	Intsikayethu	10	67 650	2017/18
Elundini Lothukela DCC	Intsikayethu	10	70 725	2017/18
Zamubuhle Pre-School	Intsikayethu	10	70 725	2017/18
Vukasiye Day Care Centre	Intsikayethu	10	64 575	2017/18
Zingisa DCC	Intsikayethu	9	70 725	2017/18
Maxama Pre-School	Intsikayethu	6	61 500	2017/18
Makwande Pre-School	Intsikayethu	6	58 425	2017/18
Ilinge DCC	Intsikayethu	8	70 725	2017/18
Monwabisi Pre-School	Intsikayethu	16	67 650	2017/18
Mcumngco Pre-School	Intsikayethu	15	76 875	2017/18

Masizakhe Pre-School	Intsikayethu	9	67 650	2017/18
No-family Pre-School	Intsikayethu	1	70 725	2017/18
Elukhanyisweni Pre-School	Intsikayethu	1	67 650	2017/18
Nceduluntu Pre-School	Intsikayethu	1	70 725	2017/18
Ilinge Lebantu Pre-School	Intsikayethu	15	70 725	2017/18
Noncedo Pre-School	Intsikayethu	15	70 725	2017/18
Hange Preschool	Intsikayethu	16	70 725	2017/18
Phakamani Pre-School	Intsikayethu	17	70 725	2017/18
Vukani Pre-School	Intsikayethu	13	76 875	2017/18
Gando Pre-School	Intsikayethu	11	76 875	2017/18
Makukhanye DCC	Intsikayethu	3	76 875	2017/18
Ncora Flats Pre-School	Intsikayethu	10	76 875	2017/18
Sinethemba Pre-School	Intsikayethu	1	70 725	2017/18
Masiphumelele Pre-School	Intsikayethu	1	73 800	2017/18
Khanyisa Pre-School	Intsikayethu	12	76 875	2017/18
Phaphamani Pre-School	Intsikayethu	19	61 500	2017/18
Zanokhanyo Maduma Pre-School	Intsikayethu	5	73 800	2017/18
Nonzondelelo Pre-School	Intsikayethu	2	73 800	2017/18
Masakhane Pre-School	Intsikayethu	13	64 575	2017/18
Nomzamo Pre-School	Intsikayethu	20	61 500	2017/18
Phakamani Pre-School	Intsikayethu	12	76 875	2017/18

Zukhanye Pre-School	Intsikayethu	1	67 650	2017/18
Noluthando Pre-School (Tranfer)	Intsikayethu	13	61 500	2017/18
Phakamani Pre-School (Transfer)	Intsikayethu	12	61 500	2017/18
Nompumelelo Preschool - Transfer ECD	Intsikayethu	12	58 450	2017/18
Thembelihle Preschool (Transfer)	Intsikayethu	3	98 400	2017/18
Masibambane 59 Pre-School	Ngcobo	3	101 475	2017/18
Nobuhle Pre-School	Ngcobo	2	92 250	2017/18
Pakamisanisizwe Pre-School	Ngcobo	18	92 250	2017/18
Jongabantu Pre-School	Ngcobo	15	132 225	2017/18
Khanyiso Pre-School	Ngcobo	19	107 625	2017/18
Esigangeni Pre-School	Ngcobo	9	79 950	2017/18
Kuyasa Pre-School	Ngcobo	13	61 500	2017/18
Lower Msintsana Pre-School	Ngcobo	13	107 625	2017/18
Lukhanyo Pre-School	Ngcobo	6	107 625	2017/18
Makukhanye Beyele Pre-School	Ngcobo	7	107 625	2017/18
Malangazana Pre-School	Ngcobo	5	92 250	2017/18
Masande Pre-School	Ngcobo	19	46 125	2017/18

Masibambane 67 Pre-School	Ngcobo	18	119 925	2017/18
Masizakhe Ntseleni Pre-School	Ngcobo	16	119 925	2017/18
Mhlopekazi Pre-School	Ngcobo	16	107 625	2017/18
Mithi Pre-School	Ngcobo	18	107 625	2017/18
Naledi Pre-School	Ngcobo	3	107 625	2017/18
Ncedolwethu Pre-School	Ngcobo	2	123 000	2017/18
Nceduluntu Pre-School	Ngcobo	11	92 250	2017/18
Noluthando Pre-School	Ngcobo	17	107 625	2017/18
Nomzamo Pre-School	Ngcobo	19	123 000	2017/18
Nyangilizwe Pre-School	Ngcobo	19	92 250	2017/18
Silindini Pre-School	Ngcobo	13	61 500	2017/18
Sincedenathi Pre-School	Ngcobo	15	83 025	2017/18
Sizanani Pre-School	Ngcobo	9	147 600	2017/18
Tshatshu Pre-School	Ngcobo	8	107 625	2017/18
Thembelihle Pre-School	Ngcobo	6	92 250	2017/18
Tsalaba Pre-School	Ngcobo	13	107 625	2017/18
Tyeni Pre-Sschool	Ngcobo	16	92 250	2017/18
Vukani Pre-School	Ngcobo	19	113 775	2017/18
Zanebandla Pre-School	Ngcobo	19	92 250	2017/18
Taleni Pre-School	Ngcobo	1	107 625	2017/18
Zwelitsha Pre-School	Ngcobo	12	123 000	2017/18
Masikhulenathi Pre-School	Ngcobo	15	89 175	2017/18

Zizamele Pre-School	Ngcobo	19	79 950	2017/18
Phakamani Pre-School	Ngcobo	13	92 250	2017/18
Nonkqubela Pre-School	Ngcobo	16	119 925	2017/18
Nozolile Pre-School	Ngcobo	3	123 000	2017/18
Masimanyane Pre-School	Ngcobo	3	101 475	2017/18
Makukhanye Xonya Pre-School	Ngcobo	2	123 000	2017/18
Kuyakhanya Pre-School	Ngcobo	13	123 000	2017/18
Eyethu Pre-School	Ngcobo	18	110 700	2017/18
Phakamisani Pre-School	Ngcobo	2	61 500	2017/18
Lusindiso Day Care Centre	Ngcobo	9	76 875	2017/18
Rolihlahla Pre-School	Ngcobo	9	76 875	2017/18
Ncedabantu Pre-School	Ngcobo	11	76 875	2017/18
Khulasana Pre-School	Ngcobo	19	76 875	2017/18
Velasikubone Pre-School	Ngcobo	15	76 875	2017/18
Little Angel Pre-School	Ngcobo	16	76 875	2017/18
Zimasa Pre-School	Ngcobo	4	55 350	2017/18
Zwelabantu Pre-School	Ngcobo	8	61 500	2017/18
Masivuke Pre-School	Ngcobo	8	55 350	2017/18
Masincedane Pre-School	Ngcobo	8	61 500	2017/18
Tshapile Pre-School	Ngcobo	18	61 500	2017/18
All Saints Pre-School	Ngcobo	11	55 350	2017/18
Little Angels Pre-School	Ngcobo	11	55 350	2017/18

Siyazama Pre-School	Ngcobo	4	76 875	2017/18
Esikobeni Preschool	Ngcobo	8	123 000	2017/18
AB Educare Centre	Inxuba Yethemba	8	123 000	2017/18
Masigcinane Educare Centre	Inxuba Yethemba	8	138 375	2017/18
Thembokuhle Educare Centre	Inxuba Yethemba	8	92 250	2017/18
Imetele Educare Centre	Inxuba Yethemba	8	150 675	2017/18
Lukhanyiso Creche	Inxuba Yethemba	5	123 000	2017/18
Kabouterland Educare Centre	Enoch Mgijima	5	123 000	2017/18
Nomzamo Educare Centre	Enoch Mgijima	5	123 000	2017/18
Nosizwe Pre-School	Enoch Mgijima	3	150 675	2017/18
Fezeka Pre-School	Enoch Mgijima	3	123 000	2017/18
Michausdal Day Care Centre	Inxuba yethemba	4	153 750	2017/18
Hasie Kalbasie Playgroup	Inxuba yethemba	4	76 875	2017/18
Umthawelanga Creche	Inxuba yethemba	1	123 000	2017/18
Lingelihle Creche	Inxuba yethemba	2	126 075	2017/18
Masiphathisane Playgroup	Inxuba yethemba	2	123 000	2017/18
Rosary Nursery School and Creche	Inxuba yethemba	4	123 000	2017/18
Zusakhe Creche	Inxuba yethemba	2	123 000	2017/18
Nompumelelo Pre-School	Inxub ayethemba	1	92 250	2017/18

Masizakhe Pre-School	Enoch Mgijima	1	123 000	2017/18
Lerato Pre-School	Enoch Mgijima	2	123 000	2017/18
Siyazama Educare Centre	Enoch Mgijima	5	92 250	2017/18
Ekklesia Pre-School	Enoch Mgijima	1	119 925	2017/18
Mandela Creche	Enoch Mgijima	2	92 250	2017/18
Ilingelethu Creche	Inxuba yethemba	2	123 000	2017/18
St John Educare Centre	Inxuba yethemba	2	123 000	2017/18
Mzamomhle Pre-School	Inxuba yethemba	1	153 750	2017/18
Thembalethu Educare	Inxuba yethemba	1	138 375	2017/18
Lusindiso Pre-School	Enoch Mgijima	3	123 000	2017/18
Kabouterland Creche	Inxuba yethemba	5	123 000	2017/18
Bubble Bekkies Day Care Centre	Enoch Mgijima	4	107 625	2017/18
Masifunde Educare Centre	Enoch Mgijima	3	141 450	2017/18
Zanokhanyo Educare Centre	Enoch Mgijima	3	175 275	2017/18
Luncedo Pre-School	Enoch Mgijima	1	92 250	2017/18
Luyolo Pre-School	Enoch Mgijima	1	119 925	2017/18
Sinenjongo Pre-School	Enoch Mgijima	1	92 250	2017/18
Zizamele DCC	Inxuba yethemba	5	150 675	2017/18
Nomzamo Pre-School	Enoch Mgijima	1	123 000	2017/18
Kgotso Pre-School	Enoch Mgijima	2	123 000	2017/18

Sunbeam Educare Centre	Inxuba yethemba	4	123 000	2017/18
Nonceba Pre-School	Enoch Mgijima	1	73 800	2017/18
Siyakha Day Care Centres	Enoch Mgijima	5	61 500	2017/18
Inciba Educare Centre	Enoch Mgijima	1	64 575	2017/18
Khanya Educare Centre	Enoch Mgijima	17	123 000	2017/18
Phakamani Educare Centre	Enoch Mgijima	18	76 875	2017/18
Zamubuntu Educare Cetre	Enoch Mgijima	12	36 900	2017/18
Siyaqaqamba DCC	Enoch Mgijima	14	123 000	2017/18
Phakamani Educare Centre QTN	Enoch Mgijima	17	76 875	2017/18
Owethu Umzamo Educare Centre	Enoch Mgijima	12	76 875	2017/18
Nomzamo Educare Centre	Enoch Mgijima	7	92 250	2017/18
Siyazama Educare Centre	Enoch Mgijima	11	61 500	2017/18
Teddyland Pre-School	Enoch Mgijima	4	129 150	2017/18
Vukani Educare Centre	Enoch Mgijima	10	119 925	2017/18
Vulamasango Nr 3 Educare Centre	Enoch Mgijima	12	92 250	2017/18
Ekuphumleni DCC	Enoch Mgijima	16	123 000	2017/18
Ezibeleni Pre-School	Enoch Mgijima	15	92 250	2017/18
Elumko Educare Centre	Enoch Mgijima	11	123 000	2017/18
Masibulele Educare Centre	Enoch Mgijima	17	119 925	2017/18
Seventh Day Pre-School	Enoch Mgijima	18	107 625	2017/18

Nomonde Educare Centre	Enoch Mgijima	7	135 300	2017/18
Masincedane Educare Centre	Enoch Mgijima	23	123 000	2017/18
Queenstown Child Care Centre	Enoch Mgijima	18	119 925	2017/18
Nomzamo Educare Centre	Enoch Mgijima	3	123 000	2017/18
Lingelihle Educare Centre	Enoch Mgijima	2	138 375	2017/18
Save the Children Pre-School	Enoch Mgijima	23	119 925	2017/18
Nobuhle Educare Centre	Enoch Mgijima	9	119 925	2017/18
Lukhanyo Pre-School	Enoch Mgijima	2	107 625	2017/18
Nompumelelo Educare Centre	Enoch Mgijima	7	92 250	2017/18
Mendi Educare Centre	Enoch Mgijima	23	123 000	2017/18
Adelaide Tambo Educare Centre	Enoch Mgijima	17	92 250	2017/18
Ezibeleni Moravian Pre-School	Enoch Mgijima	15	119 925	2017/18
Joe Slovo Educare Centre	Enoch Mgijima	23	76 875	2017/18
Phandulwazi Educare	Enoch Mgijima	7	76 875	2017/18
SizIzamele Educare Centre	Enoch Mgijima	21	123 000	2017/18
Zamukulungisa Educare Centre	Enoch Mgijima	13	61 500	2017/18
Inkwanca Day Care Centre	Enoch Mgijima	2	92 250	2017/18
Imfesane Pre-school	Enoch Mgijima	1	132 225	2017/18

Ilinge Moravian Pre-School	Enoch Mgijima	1	129 150	2017/18
Mzamomhle Educare Centre	Enoch Mgijima	1	123 000	2017/18
Kamvalethu Pre-School	Enoch Mgijima	17	123 000	2017/18
Mbalentle Pre-School	Enoch Mgijima	1	123 000	2017/18
Ilinge Pre-Primary	Enoch Mgijima	2	116 850	2017/18
Nolitha Educare Centre	Enoch Mgijima	7	92 250	2017/18
Wongalethu Educare Centre	Enoch Mgijima	11	61 500	2017/18
Mzamomhle Educare Centre whittlesea	Enoch Mgijima	1	61 500	2017/18
Lingelethu Pre-School	Enoch Mgijima	1	126 075	2017/18
Sinovuyo Educare Centre	Enoch Mgijima	4	92 250	2017/18
SizIzamele Educare Centre	Enoch Mgijima	4	92 250	2017/18
Phakamani Educare Centre	Enoch Mgijima	5	61 500	2017/18
Ikwezi Lokusa Educare Centre	Enoch Mgijima	7	61 500	2017/18
Kwavelukukhanya Pre-School	Enoch Mgijima	3	61 500	2017/18
Kwakhanya Educare Centre	Enoch Mgijima	18	61 500	2017/18
Imizamo Pre-School	Enoch Mgijima	17	92 250	2017/18
	TOTAL BUDGET		**R 28 671 325 00**	2017/18

CHAPTER 4

CHDM SPATIAL DEVELOPMENT FRAMEWORK

In terms of Section 26 (e) of the Municipal Systems Act (Act No. 32 of 2000) the Spatial Development Framework (SDF) is a legally required component of the Municipality's Integrated Development Framework (IDP). The SDF provides a strategic, indicative and flexible forward planning instrument to guide decisions on land development and renders a set of policies, principles and directives for spatial development.

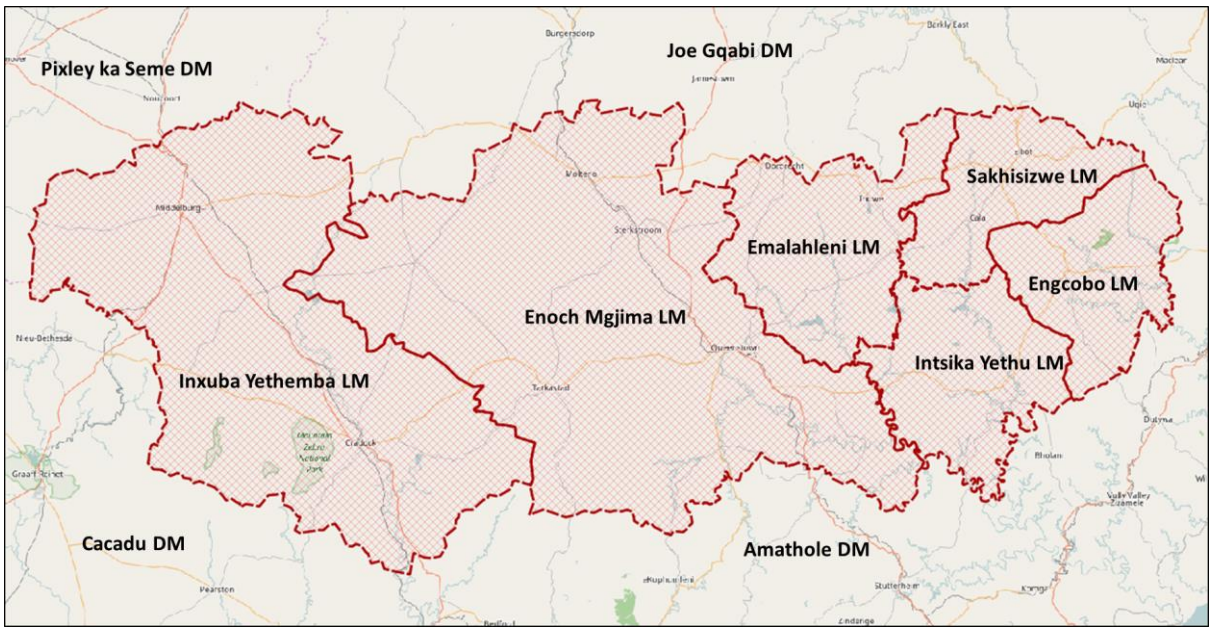
In accordance with the requirements of legislation governing municipal planning, the Chris Hani District Municipality (CHDM) currently is in the process of reviewing its SDF in line with Dermacation of boundariesfor done in 2015 for the IDP of 2017/2022. In order to ensure that development will take place in an integrated and sustainable manner, the IDPs and SDFs of local and district authorities have to be updated and aligned with the goals and directives provided by various existing and new guiding documents, such as the NSDP and PSDP. Therefore IDPs and SDFs need to be reviewed on a continuous basis to ensure synergy between the three spheres of government. What happens on local level needs to "fit-in" and "contribute" to both provincial and national development goals.

The Chris Hani District Spatial Development Framework is set to be in line with the function of the District Municipality to co-ordinate development activities in the district, the District SDF should be taken as a guide to where planning and development initiatives could best be directed by public and private sector agencies seeking to invest in development initiatives in the district. Therefore, the SDF: -

- Identifies the key spatial development features (trends and dynamics) currently applicable in the Chris Hani District Municipality;
- Establishes clearly the objectives of the Chris Hani District Municipality in relation to spatial development in its area of jurisdiction, with particular emphasis on clarifying the principles to be followed in the management of such spatial development in the area;
- Identifies the Municipality's strategies and policies that are adopted to achieve its spatial development objectives. These focus on establishing a hierarchy of settlement and delineating Special Development Areas, which are: -
    - Areas where strategic development intervention is required (areas of particular development potential and/or areas where current development activities represent a development opportunity); and
    - Areas where priority spending is required (areas of special need).
- Sets out basic guidelines for a land use management system in Chris Hani District Municipality.

The main changes to the district SDF of 2015 are as follows: -

- Boundary changes as per the demarcation board are reflected;



- Revised Priority Spatial Issues identified on the basis of a new Analysis as well as the revision of the related Spatial Development Objectives and Strategies, in line with the current CHDM IDP
- A revision of the Eastern Cape Provincial Spatial Development Framework to be aligned with Chris Hani District SDF;
- The inclusion of information on the agreed Chris Hani District Municipality Development Agenda.
- A revision of the Development Nodes and Corridors as well as the identified Special Development Areas to align with the inputs of the review of the Regional Economic Development Strategy (REDS);
- The inclusion of information emanating from the Special Economic Zone report
- A consideration of the likely requirements related to the implementation of the Spatial Planning & Land Use Management, Act 16 of 2013 (SPLUMA)

2 A Development Perspective of Chris Hani District

The points below set out some of the most distinctive features of the Chris Hani District taken into consideration in the review of the SDF: -

- It is estimated that **the total population of the district in 2016 will reach about approximately 840,050 people (approximately 218000 households)**, with the highest population densities located in the former Ciskei and Transkei areas. This reflects **a reduction from previous estimates** (2001, 2004 and 2011) and suggests **that the district is experiencing a process of outward migration**.
- In essence, **the Chris Hani District may be defined as a largely land or primary production-based area**, where the most important elements of the district economy are derived from state investment and from the consumption and production patterns of the resident population itself.

- From a spatial development perspective, it is clear that **the dominant area for economic activity in the district is the Enoch Mgijima Municipality (Queenstown Area)**, where some 48% of the total Gross Domestic Product (GDP) of the district is produced. Within Enoch Mgijima, Queenstown remains the main concentration of activity in the commercial, manufacturing, and services sectors.

- It is clear, too, that the **small towns in the district remain important as service centres** where the local populace can access retail goods and other services.

- Looking at economic development potential, the **Chris Hani Regional Economic Development Strategy (REDS) has endorsed 4 specific clusters (or sectors) for prioritisation** in the district, these being: **(i) The Agricultural, Agro-Processing and Forestry Sector; (ii) The Manufacturing, Construction and Mining Sector; (iii) Tourism & Hospitality Sector; and (iv) The Services, Retail and Logistics Sector**.

- The REDS process has emphasised, however, that **the sector that is perceived to present the greatest opportunity to build value, create job opportunities and improve economic development in the district is the broadly defined agricultural and forestry sector with its related value-adding activities.**

- The **REDS has provided the strategic basis for an Agro-Industrial approach to development in the district**, which has also **taken form in the conceptualisation of a district Special Economic Zone (SEZ).**

- **The Chris Hani SEZ is proposed to have its Hub at the Queendustria industrial complex in Queenstown.**

3 Spatial Development Framework Proposals

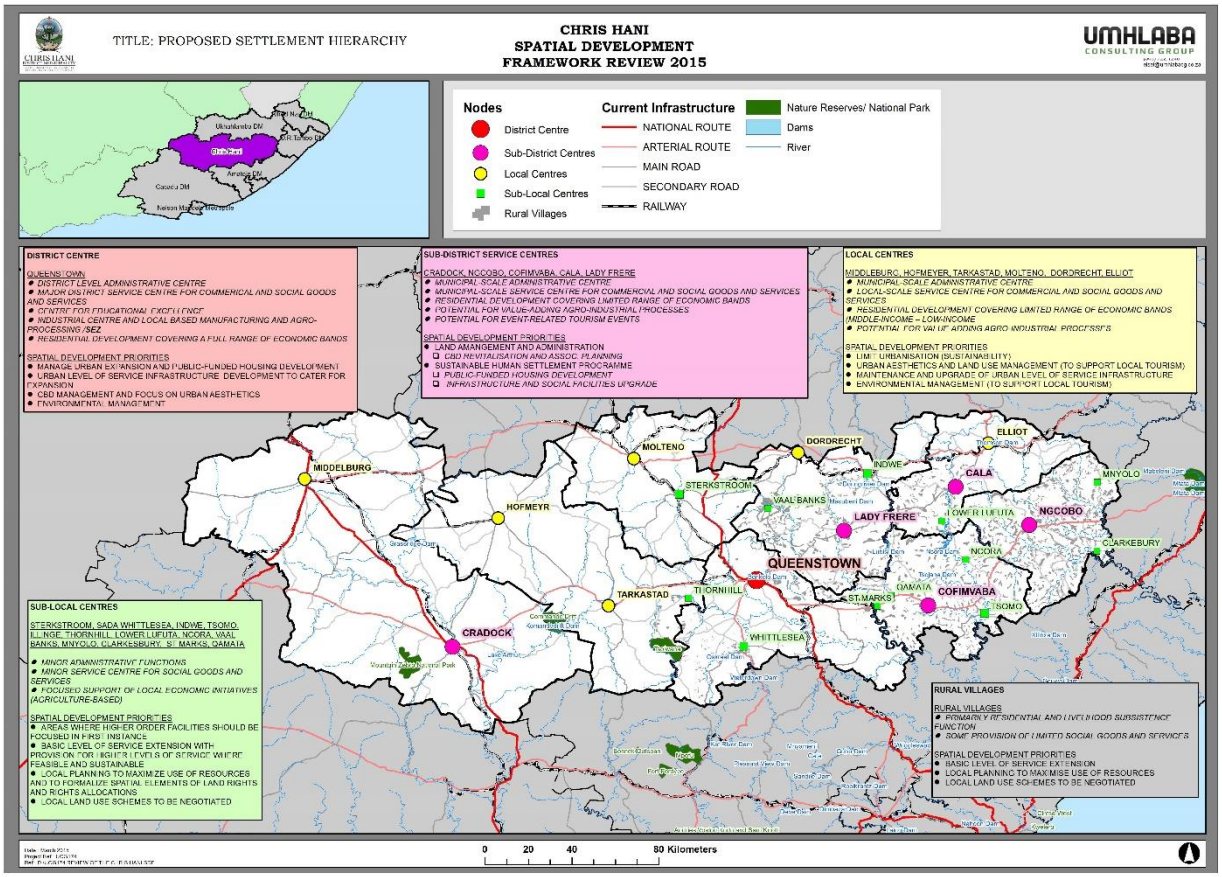
In recognition of the need to plan for the maximization of available human and natural resources within a context of achieving sustainability, the CHDM acknowledges that there is a need to focus limited public resources in areas of opportunity in order to achieve maximum impact. From a spatial planning perspective, this means certain structuring elements have been identified to guide future planning and expenditure. These structuring elements are clustered into four main components: -

- The district-scale Settlement Hierarchy;
- Development Corridors aligned with the REDS and the SEZ;
- Special Development Areas defined on the basis of specific development potential and/or development need; and
- Environmental Management Areas

3.1 *District-Scale Settlement Hierarchy*

The SDF Review has identified an amended hierarchy of settlements in order to guide the DM and LMs in the allocation of appropriate levels of investment in infrastructure and services and to be better able to implement appropriate land use management strategies.

It must be noted that the **Hierarchy is defined from a district perspective and relates primarily to a consideration of both current status and function of a centre as well as its prospective future status**. **This takes into account the priority of Small-Town Regeneration, which forms part of the overall strategic approach of the REDS.**

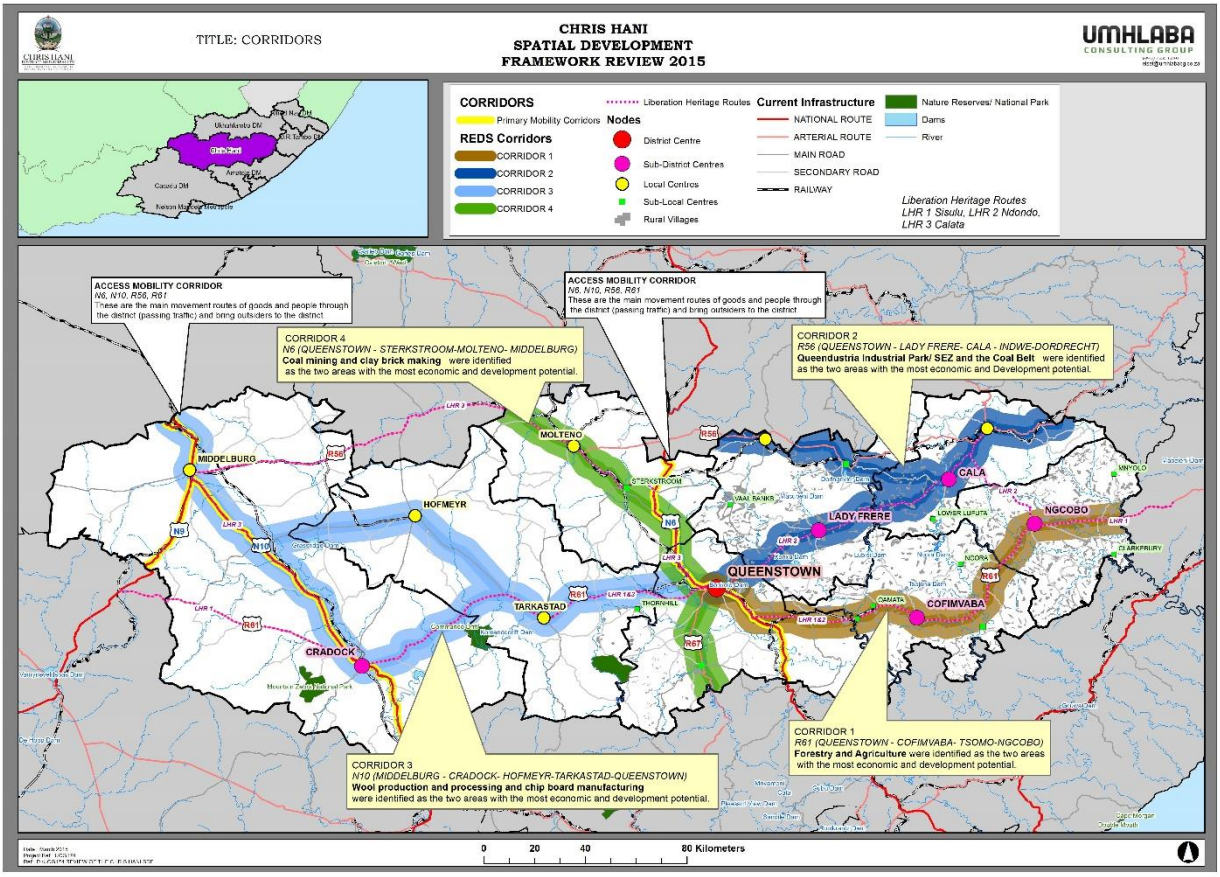

TITLE: PROPOSED SETTLEMENT HIERARCHY
CHRIS HANI
SPATIAL DEVELOPMENT
FRAMEWORK REVIEW 2015
UMHLABA
CONSULTING GROUP
Nodes
District Centre
Sub-District Centres
Local Centres
Sub-Local Centres
Rural Villages
Current Infrastructure
NATIONAL ROUTE
ARTERIAL ROUTE
MAIN ROAD
SECONDARY ROAD
RAILWAY
Nature Reserves/ National Park
Dams
River
DISTRICT CENTRE
QUEENSTOWN
DISTRICT LEVEL ADMINISTRATIVE CENTRE
MAJOR DISTRICT SERVICE CENTRE FOR COMMERCIAL AND SOCIAL GOODS AND SERVICES
CENTRE FOR EDUCATIONAL EXCELLENCE
INDUSTRIAL CENTRE AND LOCAL BASED MANUFACTURING AND AGRO-PROCESSING /SEZ
RESIDENTIAL DEVELOPMENT COVERING A FULL RANGE OF ECONOMIC BANDS
SPATIAL DEVELOPMENT PRIORITIES
MANAGE URBAN EXPANSION AND PUBLIC-FUNDED HOUSING DEVELOPMENT
URBAN LEVEL OF SERVICE INFRASTRUCTURE DEVELOPMENT TO CATER FOR EXPANSION
CBD MANAGEMENT AND FOCUS ON URBAN AESTHETICS
ENVIRONMENTAL MANAGEMENT
SUB-DISTRICT SERVICE CENTRES
CRADOCK, NCCOBO, COFIMVABA, CALA, LADY FRERE
MUNICIPAL SCALE ADMINISTRATIVE CENTRE
MUNICIPAL-SCALE SERVICE CENTRE FOR COMMERCIAL AND SOCIAL GOODS AND SERVICES
RESIDENTIAL DEVELOPMENT COVERING LIMITED RANGE OF ECONOMIC BANDS
POTENTIAL FOR VALUE-ADDING AGRO-INDUSTRIAL PROCESSES
POTENTIAL FOR EVENT-RELATED TOURISM EVENTS
SPATIAL DEVELOPMENT PRIORITIES
LAND AMANGEMENT AND ADMINISTRATION
CBD REVITALISATION AND ASSOC. PLANNING
SUSTAINABLE HUMAN SETTLEMENT PROGRAMME
PUBLIC-FUNDED HOUSING DEVELOPMENT
INFRASTRUCTURE AND SOCIAL FACILITIES UPGRADE
LOCAL CENTRES
MIDDLEBURG, HOFMEYER, TARKASTAD, MOLTENO, DORDRECHT, ELLIOT
MUNICIPAL SCALE ADMINISTRATIVE CENTRE
LOCAL-SCALE SERVICE CENTRE FOR COMMERCIAL AND SOCIAL GOODS AND SERVICES
RESIDENTIAL DEVELOPMENT COVERING LIMITED RANGE OF ECONOMIC BANDS (MIDDLE-INCOME – LOW-INCOME
POTENTIAL FOR VALUE ADDING AGRO INDUSTRIAL PROCESSES
SPATIAL DEVELOPMENT PRIORITIES
LIMIT URBANISATION (SUSTAINABILITY)
URBAN AESTHETICS AND LAND USE MANAGEMENT (TO SUPPORT LOCAL TOURISM)
MAINTENANCE AND UPGRADE OF URBAN LEVEL OF SERVICE INFRASTRUCTURE
ENVIRONMENTAL MANAGEMENT (TO SUPPORT LOCAL TOURISM)
SUB-LOCAL CENTRES
STERKSTROOM, SADA WHITTLESEA, INDWE, TSOMO, ILINGE, THORNHILL, LOWER LUFUTA, NCORA, VAAL BANKS, MNYOLO, CLARKESBURY, ST. MARKS, QAMATA
MINOR ADMINISTRATIVE FUNCTIONS
MINOR SERVICE CENTRE FOR SOCIAL GOODS AND SERVICES
FOCUSED SUPPORT OF LOCAL ECONOMIC INITIATIVES (AGRICULTURE-BASED)
SPATIAL DEVELOPMENT PRIORITIES
AREAS WHERE HIGHER ORDER FACILITIES SHOULD BE FOCUSED IN FIRST INSTANCE
BASIC LEVEL OF SERVICE EXTENSION WITH PROVISION FOR HIGHER LEVELS OF SERVICE WHERE FEASIBLE AND SUSTAINABLE
LOCAL PLANNING TO MAXIMIZE USE OF RESOURCES AND TO FORMALIZE SPATIAL ELEMENTS OF LAND RIGHTS AND RIGHTS ALLOCATIONS
LOCAL LAND USE SCHEMES TO BE NEGOTIATED
RURAL VILLAGES
RURAL VILLAGES
PRIMARILY RESIDENTIAL AND LIVELIHOOD SUBSISTENCE FUNCTION
SOME PROVISION OF LIMITED SOCIAL GOODS AND SERVICES
SPATIAL DEVELOPMENT PRIORITIES
BASIC LEVEL OF SERVICE EXTENSION
LOCAL PLANNING TO MAXIMISE USE OF RESOURCES
LOCAL LAND USE SCHEMES TO BE NEGOTIATED
MIDDELBURG
MOLTENO
DORDRECHT
ELLIOT
INDWE
CALA
MNYOLO
HOFMEYR
STERKSTROOM
VAAL BANKS
LADY FRERE
LOWER LUFUTA
NGCOBO
CLARKEBURY
NCORA
QUEENSTOWN
TARKASTAD
THORNHILL
QAMATA
ST MARKS
COFIMVABA
TSOMO
CRADOCK
WHITTLESEA
0
20
40
80 Kilometers

SETTLEMENTS			
Type	**Location**	**Function of Settlement and associated typical land uses**	**Spatial Development Priorities**
District Centre	Queenstown (Enoch Mgijima LM)	• District-level Administrative centre • Major district service centre for commercial and social goods and services • Centre of educational excellence • Industrial centre for value-adding processes and local-based manufacturing (SEZ Hub) • Residential development covering full range of economic bands (High-income – Low-income)	• Managed urban expansion and Public-funded Housing development • Urban level of service infrastructure development and related investment priorities (i.e. higher order level) to cater for expansion • Upgrade and maintenance of existing infrastructure • CBD Management and focus on Urban Aesthetics • Environmental Management (Game Reserve)
Sub-District Centres	Cradock (Inxuba Yethemba LM) Ngcobo (Engcobo LM) Cofimvaba (Intsika Yethu LM) Lady Frere (Emalahleni LM) Cala (Sakhisizwe LM)	• Municipal-scale Administrative Centre • Municipal-scale service centre for commercial and social goods and services • Residential development covering limited range of economic bands (Middle-income – Low-income) • Potential for value-adding agro-industrial processes • Potential for event-related tourism events	• Land Management & Administration ○ CBD Revitalisation and associated planning • Sustainable Human Settlement Programme ○ Public-funded Housing Development ○ Urban level of service infrastructure & Social Facilities upgrade • Maintenance and upgrade of existing infrastructure
Local Centres	Middelburg (Inxuba Yethemba LM) Hofmeyer Tarkastad (Enoch Mgijima LM) Molteno (Enoch Mgijima LM)	• Municipal-scale Administrative Centre • Local-scale Service Centre for commercial and social goods and services • Residential development covering limited range of economic bands (Middle-	• Limit urbanization (sustainability) • Urban aesthetics and land use management (to support local tourism) • Maintenance and upgrade of urban level of service infrastructure • Environmental management (to support local tourism)

SETTLEMENTS			
Type	**Location**	**Function of Settlement and associated typical land uses**	**Spatial Development Priorities**
	Elliot (Sakhisizwe LM) Dordrecht (Emalahleni LM)	income – Low-income) • Potential for value-adding agro-industrial processes	
Sub-Local Centres	Sterkstroom (Enoch Mgijima LM) Sada/Whittlesea (Enoch Mgijima LM) Indwe Vaal Banks (Emalahleni LM) Tsomo (Intsika Yethu LM) Ilinge (Enoch Mgijima LM) Thornhill (Enoch Mgijima LM) Lower Lufuta (Sakhisizwe LM) Mnyolo Clarkebury (Engcobo LM) Ncora Qamata St Marks (Intsika Yethu LM)	• Minor Administrative Functions • Minor service centre for social goods and services • Focused support of local economic initiatives – agriculture-based	• Areas where higher order facilities should be focused in first instance • Maintenance and upgrade of existing infrastructure • Basic level of service extension with provision for higher levels of service where feasible and sustainable • Local planning to maximize use of resources and to formalize spatial elements of land rights and rights allocations • Local land use schemes to be negotiated
Rural Setlements	Rural settlements across the district	• Primarily residential and livelihood subsistence function • Some provision of limited social goods and services	• Basic level of service extension • Local planning to maximize use of resources • Local land use schemes to be negotiated

3.2 District Scale Development Corridors

In line with the CHDM REDS and SEZ Key Strategies for economic development, **four major corridors have been identified in Chris Hani DM**. These corridors form the main "arteries" of the district and connect areas of economic development potential with the key urban settlement centres identified in the District Settlement Hierarchy. They also, for the main part, overlap with the district's main Tourism Routes.



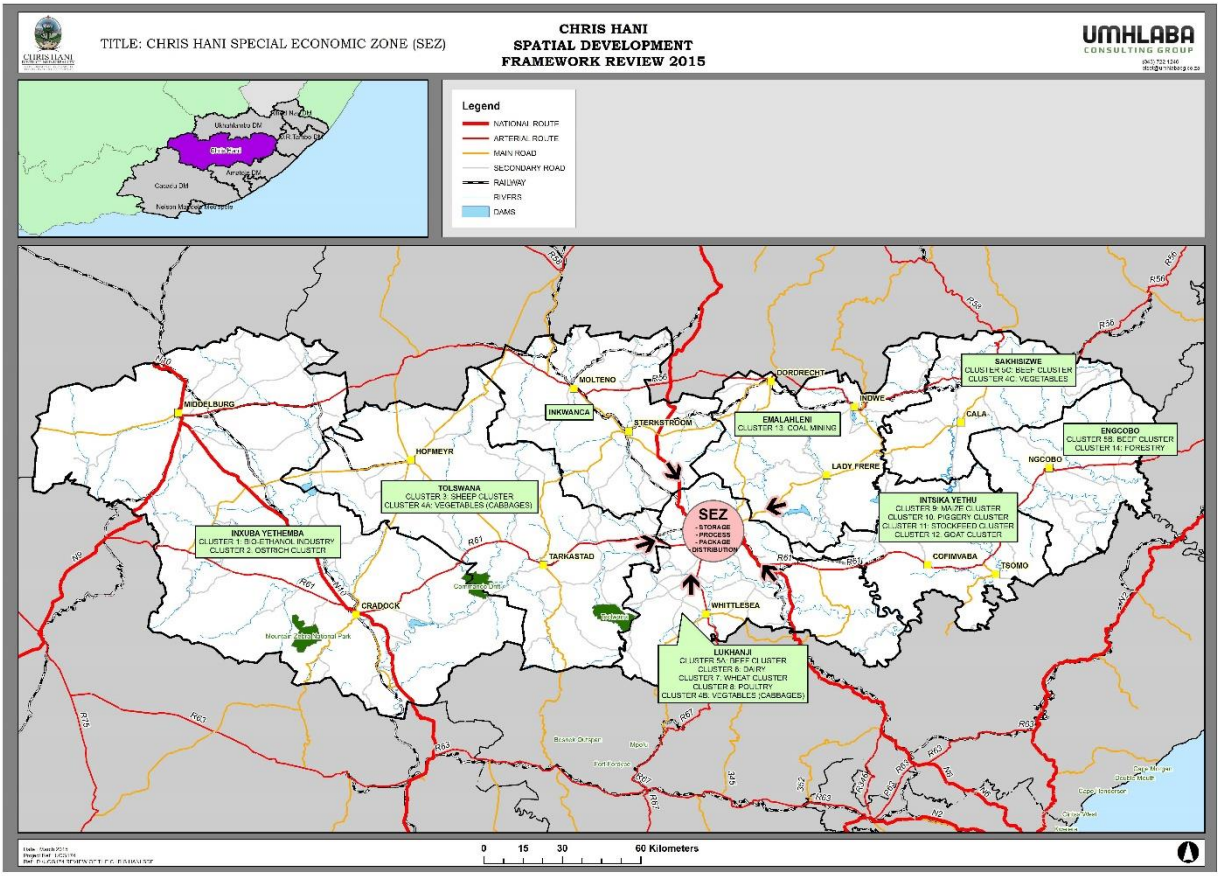
Corridor	Description	Key Opportunities (REDS) associated with Corridor
CORRIDOR 1	The R61 from Queenstown through Cofimvaba, Ngcobo to Mthatha	Forestry and agriculture were identified as the two sectors with most economic development potential along this corridor.
CORRIDOR 2	The R56 from Queenstown through Lady Frere and Cala to Elliot	Coal mining and clay-brick making were identified as the two sectors/activities with most economic development potential.
CORRIDOR 3	The N10 from Middelburg through Cradock to Alliwal North	Wool production and wool processing; and chip-board manufacturing were identified as the two activities with most economic development potential
CORRIDOR 4	The N6 from East London through Queenstown to	The Queendustria SEZ at Queenstown and the Coal belt were identified as two areas with most economic

Corridor	Description	Key Opportunities (REDS) associated with Corridor
	Aliwal North	potential in relation to this corridor

It is noted that the REDS specifically links the identification of the above corridors with the notion of targeting the towns (main nodes and smaller urban settlements) linked by these routes for what is termed "regeneration

In addition to the notion of targeting the towns along the corridors, these corridors should also be seen in the light of the opportunities that they potentially bring to areas that they pass through. As such, the SDF highlights particular routes that relate to Access and Mobility (movement of people and goods) to, from and within the District as well as the main corridors identified by REDS and related to specific development potentials.

In this regard, the corridors represent key infrastructure that may strengthen and enhance potential value chains as these might relate to a specific cluster of activities (e.g. mining cluster, agricultural cluster, forestry cluster etc.). They thus form a fundamental structural platform for the development of the Chris Hani SEZ, too.

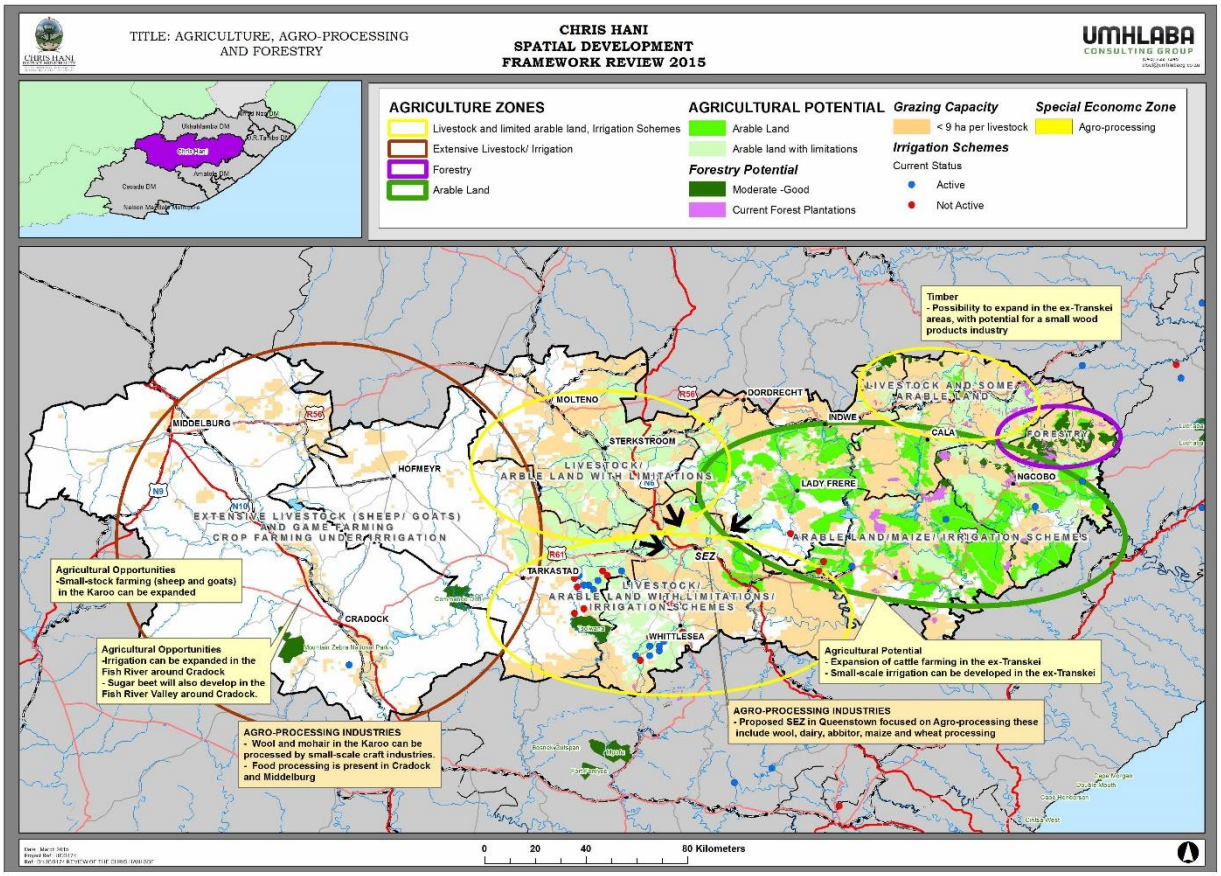


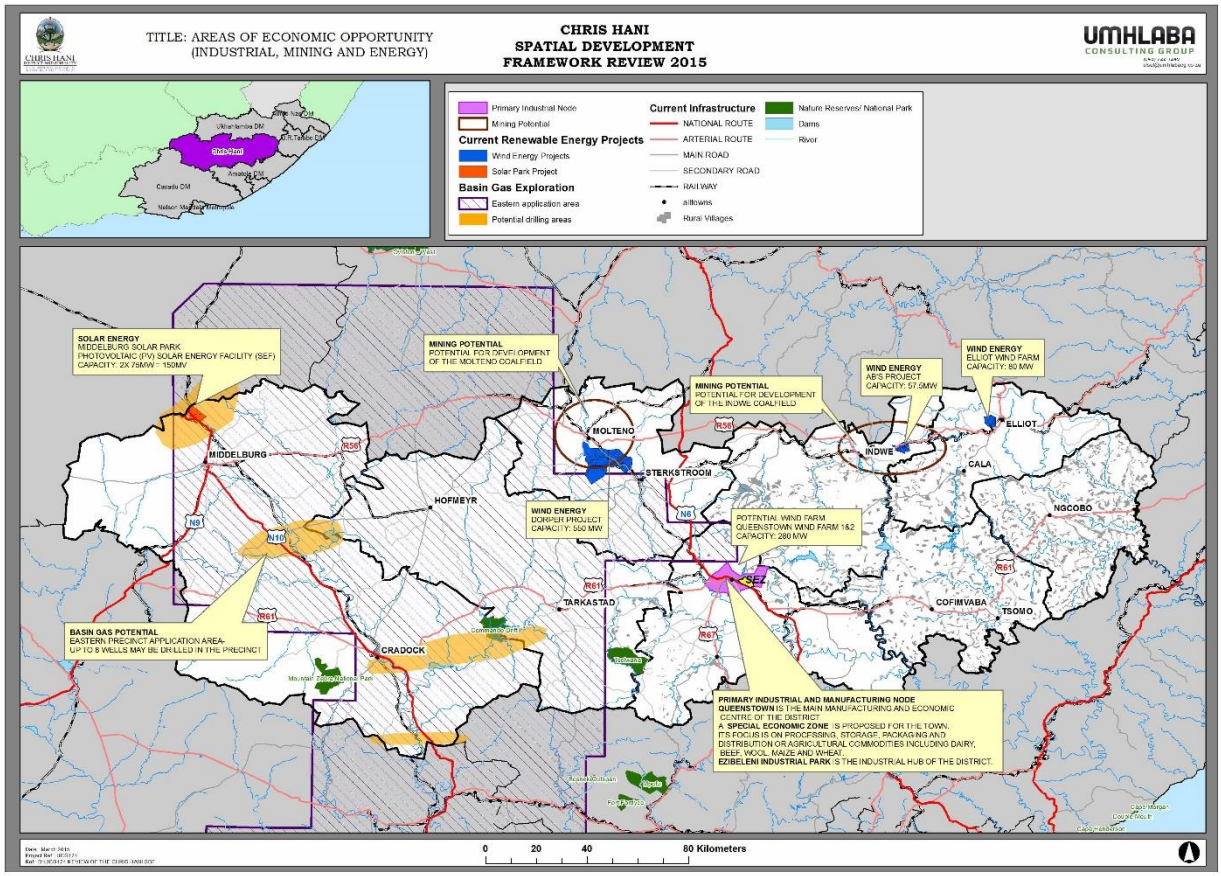
3.3 District-Scale Special Development Areas

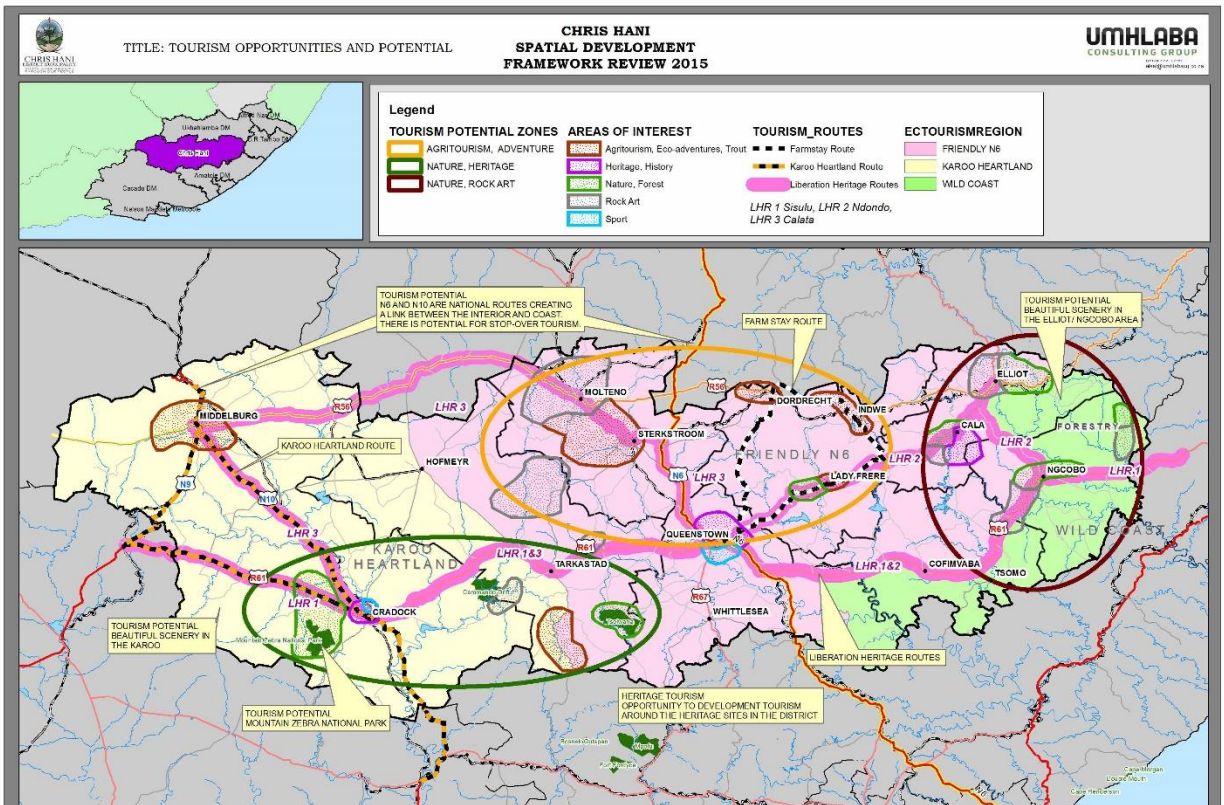
In line with the approach of attempting to direct development according to the Guidelines of the National Spatial Development Perspective, the SDF Review has extended the identification of Special Development Areas in Chris Hani Municipality and has focused on the following categories of SDA:

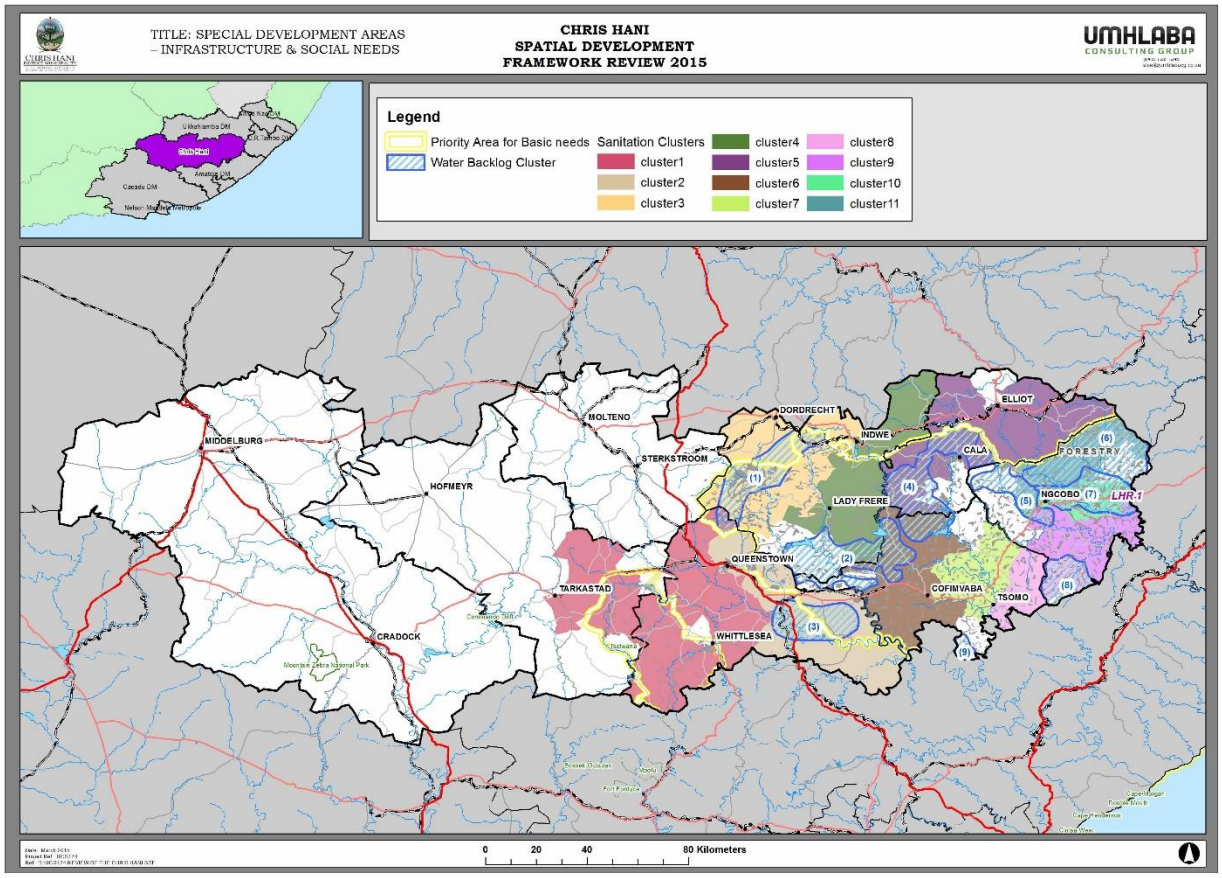
1. Areas of Local Economic Development Potential
2. Areas of Priority Basic Needs
3. Land Reform & Settlement Zones

Special Development Areas	Description
1. Areas of Local Economic Development Potential • *Agricultural and Forestry Sectors* • *Tourism Sector* • *Manufacturing, Industry Mining and Renewable Energy Sectors*	SDAs that focus more specifically on defining spatial areas where certain forms of development potential have been identified, either through previous planning exercises, or through the REDS adopted by the CHDM


TITLE: AGRICULTURE, AGRO-PROCESSING AND FORESTRY
CHRIS HANI SPATIAL DEVELOPMENT FRAMEWORK REVIEW 2015
UMHLABA CONSULTING GROUP
AGRICULTURE ZONES
Livestock and limited arable land, Irrigation Schemes
Extensive Livestock/ Irrigation
Forestry
Arable Land
AGRICULTURAL POTENTIAL
Arable Land
Arable land with limitations
Forestry Potential
Moderate -Good
Current Forest Plantations
Grazing Capacity
< 9 ha per livestock
Irrigation Schemes
Current Status
Active
Not Active
Special Economc Zone
Agro-processing
Timber
- Possibility to expand in the ex-Transkei areas, with potential for a small wood products industry
MOLTENO
DORDRECHT
INDWE
CALA
STERKSTROOM
HOFMEYR
MIDDELBURG
LADY FRERE
NGCOBO
SEZ
TARKASTAD
CRADOCK
WHITTLESEA
LIVESTOCK AND SOME ARABLE LAND
FORESTRY
LIVESTOCK/ ARABLE LAND WITH LIMITATIONS
EXTENSIVE LIVESTOCK (SHEEP/ GOATS) AND GAME FARMING CROP FARMING UNDER IRRIGATION
ARABLE LAND/MAIZE/ IRRIGATION SCHEMES
LIVESTOCK/ ARABLE LAND WITH LIMITATIONS/ IRRIGATION SCHEMES
Agricultural Opportunities
-Small-stock farming (sheep and goats) in the Karoo can be expanded
Agricultural Opportunities
-Irrigation can be expanded in the Fish River around Cradock
- Sugar beet will also develop in the Fish River Valley around Cradock.
AGRO-PROCESSING INDUSTRIES
- Wool and mohair in the Karoo can be processed by small-scale craft industries.
- Food processing is present in Cradock and Middelburg
Agricultural Potential
- Expansion of cattle farming in the ex-Transkei
- Small-scale irrigation can be developed in the ex-Transkei
AGRO-PROCESSING INDUSTRIES
- Proposed SEZ in Queenstown focused on Agro-processing these include wool, dairy, abbitor, maize and wheat processing
0 20 40 80 Kilometers


TITLE: AREAS OF ECONOMIC OPPORTUNITY
(INDUSTRIAL, MINING AND ENERGY)
CHRIS HANI
SPATIAL DEVELOPMENT
FRAMEWORK REVIEW 2015
UMHLABA
CONSULTING GROUP
Primary Industrial Node
Mining Potential
Current Renewable Energy Projects
Wind Energy Projects
Solar Park Project
Basin Gas Exploration
Eastern application area
Potential drilling areas
Current Infrastructure
NATIONAL ROUTE
ARTERIAL ROUTE
MAIN ROAD
SECONDARY ROAD
RAILWAY
Nature Reserves/ National Park
Dams
River
SOLAR ENERGY
MIDDELBURG SOLAR PARK
PHOTOVOLTAIC (PV) SOLAR ENERGY FACILITY (SEF)
CAPACITY: 2X 75MW = 150MV
MINING POTENTIAL
POTENTIAL FOR DEVELOPMENT OF THE MOLTENO COALFIELD
MINING POTENTIAL
POTENTIAL FOR DEVELOPMENT OF THE INDWE COALFIELD
WIND ENERGY
AB'S PROJECT
CAPACITY: 57.6MW
WIND ENERGY
ELLIOT WIND FARM
CAPACITY: 80 MW
WIND ENERGY
DORPER PROJECT
CAPACITY: 560 MW
POTENTIAL WIND FARM
QUEENSTOWN WIND FARM 1&2
CAPACITY: 280 MW
BASIN GAS POTENTIAL
EASTERN PRECINCT APPLICATION AREA-
UP TO 8 WELLS MAY BE DRILLED IN THE PRECINCT
PRIMARY INDUSTRIAL AND MANUFACTURING NODE
QUEENSTOWN IS THE MAIN MANUFACTURING AND ECONOMIC CENTRE OF THE DISTRICT.
A SPECIAL ECONOMIC ZONE IS PROPOSED FOR THE TOWN.
ITS FOCUS IS ON PROCESSING, STORAGE, PACKAGING AND DISTRIBUTION OR AGRICULTURAL COMMODITIES INCLUDING DAIRY, BEEF, WOOL, MAIZE AND WHEAT.
EZIBELENI INDUSTRIAL PARK IS THE INDUSTRIAL HUB OF THE DISTRICT.
MIDDELBURG
MOLTENO
STERKSTROOM
HOFMEYR
INDWE
ELLIOT
CALA
NGCOBO
TARKASTAD
CRADOCK
COFIMVABA
TSOMO
0 20 40 80 Kilometers


TITLE: TOURISM OPPORTUNITIES AND POTENTIAL
CHRIS HANI
SPATIAL DEVELOPMENT
FRAMEWORK REVIEW 2015
UMHLABA
CONSULTING GROUP
Legend
TOURISM POTENTIAL ZONES
AGRITOURISM, ADVENTURE
NATURE, HERITAGE
NATURE, ROCK ART
AREAS OF INTEREST
Agritourism, Eco-adventures, Trout
Heritage, History
Nature, Forest
Rock Art
Sport
TOURISM_ROUTES
Farmstay Route
Karoo Heartland Route
Liberation Heritage Routes
LHR 1 Sisulu, LHR 2 Ndondo, LHR 3 Calata
ECTOURISMREGION
FRIENDLY N6
KAROO HEARTLAND
WILD COAST
TOURISM POTENTIAL
N6 AND N10 ARE NATIONAL ROUTES CREATING A LINK BETWEEN THE INTERIOR AND COAST. THERE IS POTENTIAL FOR STOP-OVER TOURISM.
FARM STAY ROUTE
TOURISM POTENTIAL
BEAUTIFUL SCENERY IN THE ELLIOT/ NGCOBO AREA
KAROO HEARTLAND ROUTE
FRIENDLY N6
KAROO HEARTLAND
WILD COAST
LHR 1
LHR 2
LHR 3
LHR 1&2
LHR 1&3
MIDDELBURG
MOLTENO
DORDRECHT
INDWE
ELLIOT
CALA
FORESTRY
STERKSTROOM
HOFMEYR
LADY FRERE
NGCOBO
QUEENSTOWN
TARKASTAD
COFIMVABA
TSOMO
CRADOCK
WHITTLESEA
TOURISM POTENTIAL
BEAUTIFUL SCENERY IN THE KAROO
LIBERATION HERITAGE ROUTES
HERITAGE TOURISM
OPPORTUNITY TO DEVELOPMENT TOURISM AROUND THE HERITAGE SITES IN THE DISTRICT
TOURISM POTENTIAL
MOUNTAIN ZEBRA NATIONAL PARK


TITLE: SPECIAL DEVELOPMENT AREAS
– INFRASTRUCTURE & SOCIAL NEEDS
CHRIS HANI
SPATIAL DEVELOPMENT
FRAMEWORK REVIEW 2015
UMHLABA
CONSULTING GROUP
Legend
Priority Area for Basic needs
Water Backlog Cluster
Sanitation Clusters
cluster1
cluster2
cluster3
cluster4
cluster5
cluster6
cluster7
cluster8
cluster9
cluster10
cluster11
MIDDELBURG
MOLTENO
DORDRECHT
INDWE
ELLIOT
CALA
FORESTRY
STERKSTROOM
HOFMEYR
LADY FRERE
NGCOBO
LHR-1
QUEENSTOWN
TARKASTAD
GOFIMVABA
TSOMO
CRADOCK
WHITTLESEA
0
20
40
80 Kilometers

Special Development Areas	Description
3. Land Reform and Settlement Zones	Land Reform & Settlement Zones are areas identified in the course of a participatory process with LMs. These Zones reflected areas that are identified as requiring specific forms of planning and development interventions in the interests of furthering land and agrarian reform and managed settlement development processes. In addition, the Area Based Plan for Land Reform in Chris Hani District also endorsed these Zones and added a conceptual spatial proposal relating to land located close to identified urban centres and along roads leading to/from such centres, which was to the effect that the area so defined is to be seen as an area of greater potential for the development of small-scale farming enterprises and schemes to train up emerging farmers for future participation in the land redistribution programme.

3.4 Managing the Environment & Climate Change

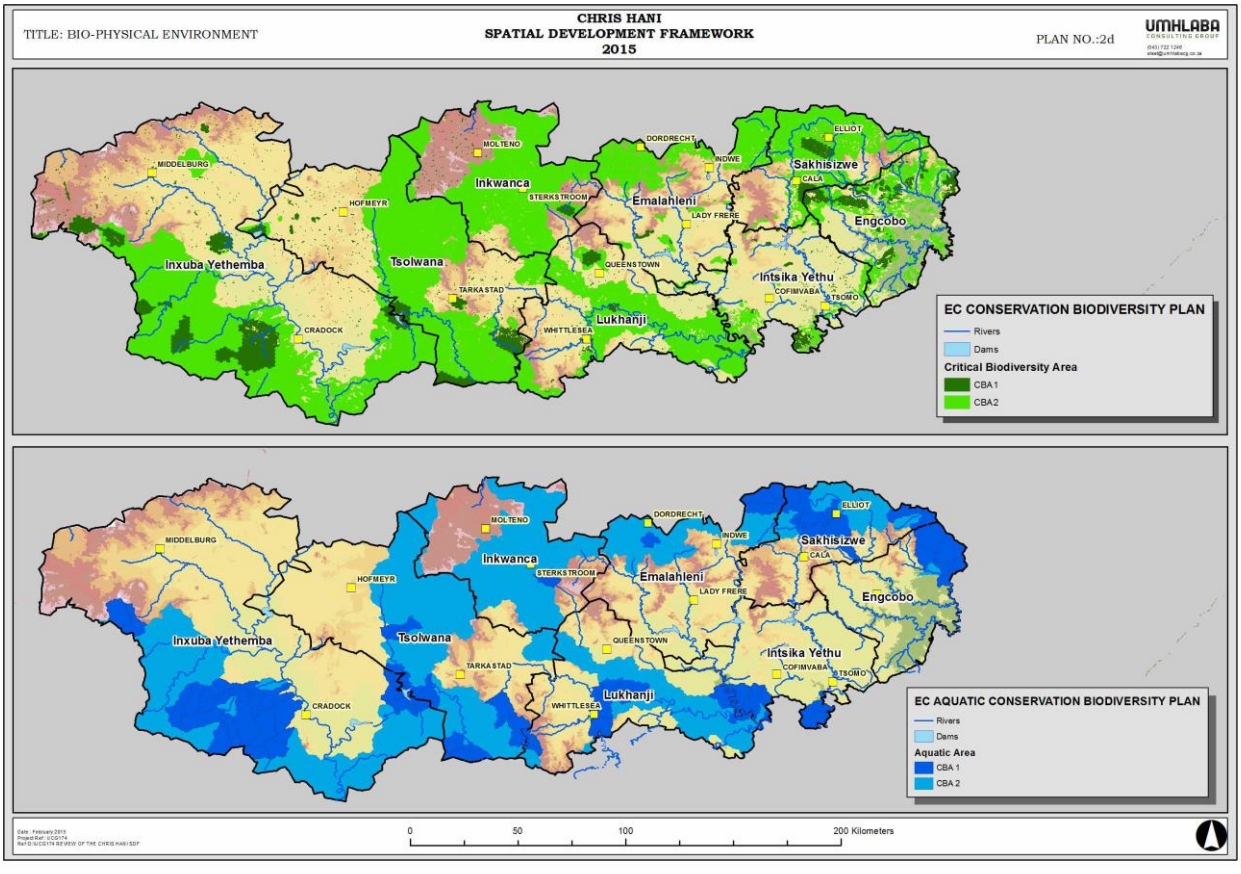
The final structural component of the overall district SDF relates to the priority of managing the environmental assets and resources of the district to promote sustainability and spatial resilience in the face of land development pressures and the changes being wrought by climate change.
Key elements of the district Environmental Framework are identified as follows: -: -

- The area along the Great Kei River and its tributaries from the Xonxa and Lubisi Dams southwards consists of important valley thicket vegetation. The area north of Ngcobo contains pockets of aframontaine forests. Both these areas are important natural areas, which should be protected.
- The formal protected area network is relatively extensive with the Mountain Zebra National Park (SANP) and the Commando Drift and Tsolwana provincial reserves
- Formally protected water sources include a number of large water catchments, including the dams: Grassridge, Lake Arthur, Commando Drift, Xonxa, Lubisi and Ncora.
- From a natural resource perspective, the eastern part of Chris Hani District Municipality, the most deprived area within the municipality, has the most potential for agriculture and forestry because of good soils and a relatively high rainfall specifically with regards to:
    - Dryland agriculture for maize production
    - Irrigation and agriculture from the Xonxa Dam, Lubisi Dam and Ncora Dam
    - Forestry in the mountainous areas north of Engcobo
- The western part of the Chris Hani District Municipality is the best endowed with tourism resources such as:

- Cradock and Middelburg form part of the Karoo Heartland Tourism route whilst Queenstown forms part of the Friendly N6 Tourism Route.
- Abundant heritage resources in Queenstown, Cradock, Sterkstroom, Molteno, Middelburg and Hofmeyr along the east-west routes from Queenstown namely R61 and R56.
- The nature reserves along the R61, namely the:
- Tsolwana and Ntabatemba nature resources
- The Kommandodrift Dam Nature Reserve
- The Mountain Zebra National Park
- The abundance of private game reserves and hunting lodges in the western area.

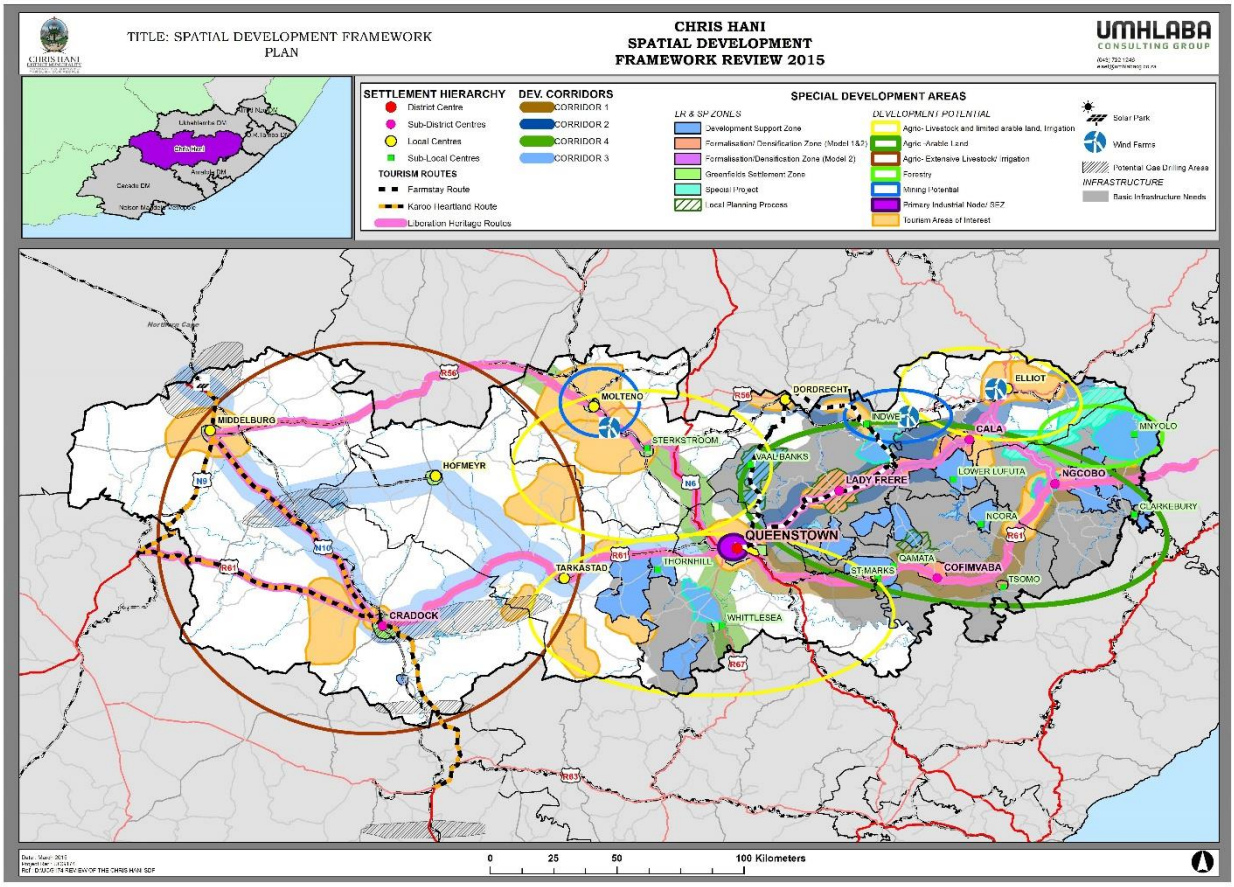
- The known conservation areas in the Chris Hani District Municipality are listed in the table below. Only two of these conservation areas are under the direct control of a Local Municipality, namely Lawrence de Lange and Longhill (Lukhanji).

National Parks	• Mountain Zebra National Park
Provincial Nature Reserves	• Commando Drift • Tsolwana (Enoch Mgijima LM)
Municipal Nature Reserves	• Lawrence de Lange • Longhill
Private	• Blanco • Striling
Natural Heritage Areas	• Benghoil and Bushy Park • Carnarvon • Mhoge



3.5 The Overall SDF

At an overall level, the Chris Hani District SDF illustrates the synthesis of the above spatial development elements in an overall plan.



The Land Use Management Guidelines contained in the SDF address issues relating to the need for land use management in the district in order to conserve and manage its natural and built environmental assets.

The Guidelines incorporate elements that are seen to contribute towards the goal of achieving a more holistic approach to land use management in the district, as follows: -

- In considering the character of the settlement pattern and typical forms of land use arrangements found in the Chris Hani District, the importance of Land Use Management as an activity that underpins the wise use of resources and contributes directly to economic and environmental sustainability is emphasized;

- Broad input is given on the need to manage relationships and formulate binding agreements and protocols on how to deal with land use management issues in the district. This is a crucial aspect, given the imminent implementation of the Spatial Planning & Land Use Management Act 16 of 2013 (SPLUMA) in 2015.

- Finally, in respect of the concern to ensure a more sustainable approach to urban and rural development, the following is set out: -

    - A proposed **framework for categorizing different types of settlement and associating these with typical Levels of Service (LOS)** provision is provided, *based on previous work done for Land Reform & Settlement Plans compiled for the Amathole and Chris Hani District Municipalities, 2005*;

    - Based on the guidelines suggested by the Eastern Cape Biodiversity Conservation Plan, generic land use objectives are incorporated in relation to the different land management classes identified in the Plan; and

    - In relation to the hierarchy of settlement set out above, a broad set of guidelines is proposed.

CHAPTER 5
SECTOR PLANS

The Situatonal Analysis has been conducted on all CHDM sector plans it has been discoverd that some sector plans are still relevant and others are to be developed some from stretch whilest others just need a minor review and update.

CHDM SECTOR PLANS	YEAR ADOPTED	STATUS	KEY ISSUE
Regional Economic Development Strategy	2008	Reviewed in line with 2017-2022 IDP	The strategy acknowledges our rural situation and therefore advocates for promotion of rural urban equity in infrastructure development, services expansion and stimulation of economic opportunities.
Corridor Development Plan	2011	No	"The Corridor plan is based on ward profiles that identify communities with common synergies, relation and connection or similarities of economic activities in terms of sector programmes which cut across from ward to ward, wards to local municipalities, Local Municipalities to District Municipalities and District Municipalities to the Province.
SMME Development Strategy	2007	2014/15 reviewed	It is an attempt to address constraints related to the legal and regulatory environment; market access; access to finance and suitable business premises; the acquisition of skills and managerial expertise; access to appropriate resources and technology; the quality of infrastructure, especially in poverty and rural areas; bureaucratic hurdles for SMME's to benefit.
Integrated Agricultural Strategy	2007	2014/15 reviewed	Revitalisation of Irigation Schemes, livestock improvement and development, Agro-processing,highvalue crop production are the key issues within the strategy.
Tourism Integrated Plan	2010	Be developed	That the district has access to major routes N6 and N10 and R61 and that competitive advantage be utelised.Resurrection of LTO's such as Intsika Yethu LTO,Middleburg Karoo Tourism,Cradock Karoo Tourism, Enoch Mgijima LTO etc.
Environmental Management Plan {EMP}	2010	2013/14Reviewed	The plan highlights areas of the environment which should be conserved and protected. Animal and vegetation species and cover are mapped and identified. In addition present and future environmental problems are identified per local municipality as well as all renewable resources
Water Service Development Plan {WSDP}	2011	2015/16 Reviewed	It states that 76% of the total population of CHDM is served with water services whilst 55% is served with sanitation services.
Climate Charge Adaptation Strategy	2011/12	No	
Housing SECTOR		2014-15	The plan will assist to guide and to direct the housing

/Development Plan		Developed	programmes and housing projects within the district when developed.
Integrated Waste Management Plan	2010	2013/14Reviewed	It makes the recommendation about the development and implementation of a integrated waste management system/plan and intends to build the capacity of all LM's regarding waste management sites. This is done due to the fact that the majority of LM solid waste sites do not comply with legislation, are poorly managed and unlicensed
Disaster Management Policy Framework	2010	2013-14 reviewed	
HIV/AIDS STI & TB Workplace plan	2008	2013/14 reviewed	
Spatial Development Framework	2011/ 2012	2015-2020 Draft	
Employment Equity Plan	2010	2014/15 review	This is an attempt to restore or improve employee's well-being holistically and job performance to acceptable levels with minimal interference in the private lives of individuals.
Workplace Skill Development	2010	2014/15 review	This plan is designed to provide opportunities for theoretical and practical learning, culminating in a nationally recognised qualification.
Asset Management Policy		2014/15 review	
Virement Policy	2011/ 12	2012/13 Developed	
Fraud Prevention Plan	2012/ 13	2014-2015 review	It is an attempt to combat crime and fraud in the municipality and it further aims to discourage fraudulent/corrupt activities in the municipal order of business.
Communication Strategy	2011/ 12	Yearly review	
GIS Policy	Never adopted	Reworked	
Risk Management Plan	2011/ 12	2014/15 review	
Perfomance Mnagement Framework	2009	2014/15 Draft	It is there to provide a mechanism for ensuring increased accountability between the communities of Chris Hani district and the municipal council and as well between the political and administrative components of the municipality and between each department and the office

			of the municipal manager.
LIST OF SECTOR PLANS TO BE DEVELOPED			
Air Quality Management Plan			
Housing Development Plan			
Informal Traders Strategy			
Informal Trader Strategy			
Cooperative/ SMME Strategy			

CHAPTER 6
CHDM FINANCIAL PLAN

In terms of section 227 of the Constitution, local government is entitled to an equitable share of nationally raised revenue to enable it to provide basic services and perform its allocated functions. The local government equitable share is an unconditional transfer that supplements the revenue raised by municipalities (including property rates and service charges). The equitable share provides funding for municipalities to deliver free basic services to poor households and subsidises the cost of administration and other core services for those municipalities that have the least potential to cover these. The Constitution gives local government substantial own-revenue-raising powers (particularly through property rates and surcharges on services). Municipalities are expected to fund most of their own administrative costs and cross-subsidise some services for indigent residents. The budget must indicate all allocations from its equitable share and conditional allocations to be transferred to the municipality indicating each category of funding to be utilised by the municipality in the provision of services. In view of the aforementioned, the following table is a consolidated overview of the proposed 2017/18 Medium-term Revenue and Expenditure Framework for Chris Hani District Municipality:

Table 1 Consolidated Overview of the 2017/18 MTREF

Chris Hani District Municipality Consolidated Draft Budget Summary 2017/18 MTREF						
Description	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget 2016/17	Adjusted Budget 2016/17	Full Year Forecast	Budget Year 2017/18	Budget Year + 1 2018/19	Budget Year + 2 2019/20
Total Revenue (excluding capital transfers and contributions)	893 554	914 248	–	933 841	979 912	988 258
Total Expenditure	1 214 243	1 299 122	–	1 271 533	1 326 005	1 393 671
Operating Surplus/(Deficit)	(320 689)	(384 874)	–	(337 692)	(346 093)	(405 413)
Capital Revenue	611 798	570 851		514 254	454 250	365 503
Capital Expenditure	741 325	691 078	–	611 254	557 070	474 492
Surplus/(Deficit)	(450 216)	(505 101)		(434 692)	(448 913)	(514 402)

Total operating revenue has grown by 2 % to R933.8 million for the 2017/18 financial year when compared to the 2016/17 second adjustment budget. For the two outer years, operating revenue will increase by 5% and 1% respectively.

Total operating expenditure for the 2017/18 financial year has been appropriated at R1,271 billion and translates into a budgeted operating deficit of R337.7 million, when compared to the 2016/17 second adjustment budget, operational expenditure has decreased by 2% in the 2017/18 draft budget and has increased by 4,3% and 5% respectively in 2018/19 and 2019/20. The operating deficit for the two outer years steadily increases from R337.7 million in current budget year to R346 million and R405 million in the two outer year. These deficits indicate that the municipality has to increase own revenue base from the water and sanitation services to improve the deficit.

The capital budget of R611.3 million for 2017/18 is 11,5% less when compared to the 2016/17 second adjustment budget. The decrease is due to the lesser allocations by National treasury and no allocation from provincial government (DHS Unblocking) in the coming budget year. The capital programmes are reflecting signs of decrease in the two outer year to R557 million and R474 million respectively. The main source of capital funding for the municipality are national conditional grants meant to fund infrastructure. The municipality has to devise and fully implement the revenue enhancement strategy to increase the revenue base of the municipality. The cost of maintaining the capital infrastructure has to be funded through revenue generating assets. The municipality has to budget for the maintenance of the infrastructure capital assets to maintain its service delivery potential.

Operating Revenue Framework

For the municipality to continue improving the quality of services provided to its citizens it needs to generate the required revenue. In these tough economic times strong revenue management is fundamental to the financial sustainability of every municipality. The reality is that the district is faced with infrastructure backlogs and poverty. The expenditure required to address these challenges will inevitably always exceed available funding; hence the need to determine economic and affordable tariffs and balancing expenditures against realistically anticipated revenues. The municipality has to improve the revenue cycle in order to have funds available to sustain a positive cash flow position and its liquidity.

The municipality has embarked on data cleansing which will improve billing and collection rate of the municipality. The focus areas of this strategy are to improve and enhance the following:

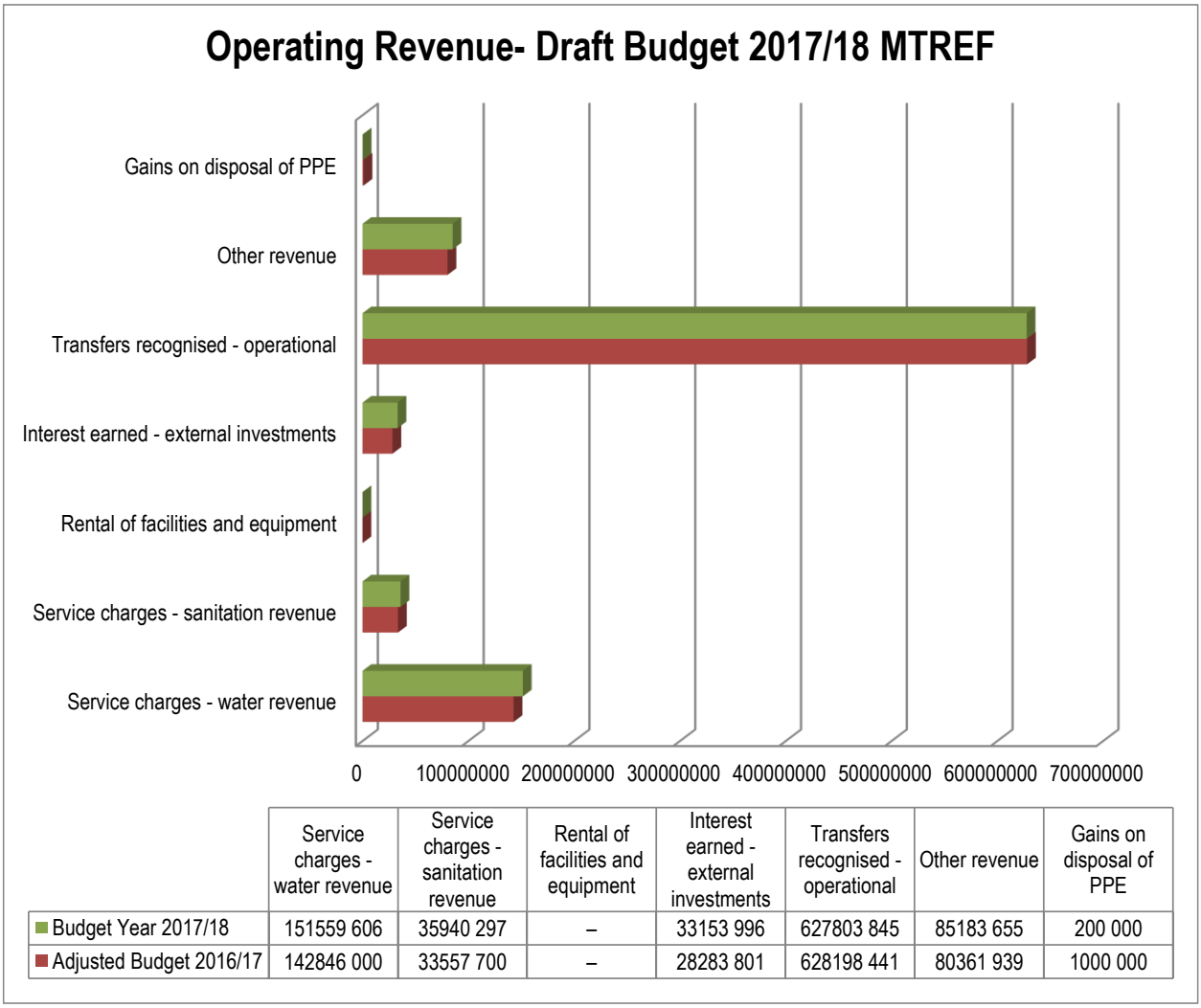
- The indigent registration;
- Data cleansing on the financial information systems;
- Updating of all consumer files;
- Accurate billing (proper tariffs charged);
- Revenue collection that's sustains the cash flow position of the municipality;
- Skills transfer and capacitation of municipal officials on the revenue enhancement strategy;
- Debt recovery of all outstanding amounts; and
- An effective implementation of the credit control policy

The following table is a summary of the 2017/18 MTREF (classified by main revenue source):

Table 2 Summary of revenue classified by main revenue source –

Chris Hani District Municipality Operating Revenue by Source Draft Budget 2017/18 MTREF					
Description	Current Year 2016/17		2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	Original Budget	Adjusted Budget	Budget Year 2017/18	Budget Year + 2018/19	Budget Year + 2019/20
Revenue By Source					
Service charges - water revenue	142 846	142 846	151 560	160 653	170 292
Service charges - sanitation revenue	33 558	33 558	35 940	38 097	40 383
Rental of facilities and equipment	–	–	–	–	–
Interest earned - external investments	28 284	28 284	33 154	35 110	37 146
Transfers recognised - operational	607 504	628 198	627 804	655 558	644 525
Other revenue	80 362	80 362	85 184	90 295	95 712
Gains on disposal of PPE	1 000	1 000	200	200	200
Total Revenue (excluding capital transfers and contributions)	**893 554**	**914 248**	**933 841**	**979 913**	**988 258**

Figure 1 Main operating revenue categories for the 2017/18 financial year-



	Service charges - water revenue	Service charges - sanitation revenue	Rental of facilities and equipment	Interest earned - external investments	Transfers recognised - operational	Other revenue	Gains on disposal of PPE
Budget Year 2017/18	151559 606	35940 297	–	33153 996	627803 845	85183 655	200 000
Adjusted Budget 2016/17	142846 000	33557 700	–	28283 801	628198 441	80361 939	1000 000

Table 3 Percentage growth in revenue by main revenue source –

Chris Hani District Municipality Perc Growth in Operating Revenue by Source Draft Budget 2017/18 MTREF							
Description			**2017/18 Medium Term Revenue & Expenditure Framework**				
R thousand	**Adjusted Budget**	**%**	**Budget Year 2017/18**	**%**	**Budget Year + 2018/19**	**%**	**Budget Year + 2019/20**
Revenue By Source							
Service charges - water revenue	142 846	6	151 560	6	160 653	6	170 292
Service charges - sanitation revenue	33 558	7	35 940	6	38 097	6	40 383
Rental of facilities and equipment	–	0	–	-	–	-	–
Interest earned - external investments	28 284	17	33 154	6	35 110	6	37 146
Transfers recognised - operational	628 198	(0)	627 804	4	655 558	(2)	644 525
Other revenue	80 362	6	85 184	6	90 295	6	95 712
Gains on disposal of PPE	1 000	(80)	200	-	200	-	200
Total Revenue (excluding capital transfers and contributions)	**914 248**	2	**933 841**	5	**979 913**	1	**988 258**

In line with the formats prescribed by the Municipal Budget and Reporting Regulations, capital transfers and contributions are excluded from the operating statement in order to achieve the correct calculation of the operating surplus/deficit. Transfers recognised operational which are in fact operating grants, are the main source of revenue stream and constitute 67% of the total operating revenue of the municipality amounting R627.8 million. In 2017/18 financial year, revenue from water services charges totalled R151.6 million or 16 % of total operating revenue and sanitation services constitute 3,8% of the total operating revenue. The water revenue increases to R160.7 and R170.3 million in the respective outer financial years of the MTREF. The municipality has projected an annual increase in revenue at 4,9%, and 1% respectively for the two outer years and is based on the assumption of the changes in the tariffs charged and improvement in the collection rate and accuracy of billing. An effective and efficient revenue enhancement strategy will improve the collection rate of the budgeted revenue by the municipality.

Services charges – water and sanitation revenue constitutes 20% of the total operating revenue of the municipality hence the need for the municipality to focus on the implementation of the credit control policy to improve the collection rate. The municipality is highly grant dependent as mentioned above hence the need to focus on the generation of own revenue for the long term financial sustainability.

Figure 2 Main operational expenditure categories for the 2017/18 financial year-

Table 4 Operating Transfers and Grant Receipts –

DC13 Chris Hani - Supporting Table SA18 Transfers and grant receipts

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17			2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
RECEIPTS:	1, 2									
Operating Transfers and Grants										
National Government:		–	–	–	**571,307**	**592,818**	–	**595,582**	**622,173**	**640,947**
Local Government Equitable Share					485,308	485,308		507,459	525,397	543,249
RSC Levy Replacement										
Finance Management					1,500	1,500		1,500	1,250	1,250
Municipal Systems Improvement					1,040	–				
Water Services Operating Subsidy						4,500		5,000	5,000	5,000
EPWP Incentive					7,797	7,797		10,037	–	
Municipal Infrastructure Grant					75,662	93,713		71,586	90,526	91,448
Provincial Government:		–	–	–	**36,197**	**34,372**	–	**32,222**	**33,385**	**3,578**
Housing					3,097	3,097		3,222	3,385	3,578
Sport and Recreation					27,800	27,800		29,000	30,000	
Health subsidy					5,300	3,475				
Municipal Infrastructure Grant										
District Municipality:		–	–	–	–	**1,008**	–	–	–	–
LGSETA										
COGTA						1,008				
Other grant providers:		–	–	–	–	–	–	–	–	–
[insert description]										
Total Operating Transfers and Grants	5	–	–	–	**607,504**	**628,198**	–	**627,804**	**655,558**	**644,525**
Capital Transfers and Grants										
National Government:		–	–	–	**505,173**	**517,151**	–	**504,254**	**454,250**	**365,503**
Municipal Infrastructure Grant (MIG)					200,261	177,710		220,754	219,986	237,503
Regional Bulk Infrastructure					207,815	207,815		208,500	132,000	25,000
Municipal Infrastructure Grant (MIG)					97,097	97,097		75,000	102,264	103,000
Municipal Water Infrastructure Grant						34,530				
Provincial Government:		–	–	–	–	**30,000**	–	–	–	–
DHS Unblocking						30,000				
District Municipality:		–	–	–	–	**21,700**	–	**10,000**	–	–
LGSETA										
Provincial Treasury						21,700		10,000		
Other grant providers:		–	–	–	–	**2,000**	–	–	–	–
[insert description]						2,000				
ACIP										
Total Capital Transfers and Grants	5	–	–	–	**505,173**	**570,851**	–	**514,254**	**454,250**	**365,503**
TOTAL RECEIPTS OF TRANSFERS & GRANTS		–	–	–	**1,112,677**	**1,199,050**	–	**1,142,058**	**1,109,808**	**1,010,027**

The table above is a breakdown of grant funding that is allocated to the municipality. This is an indication that, the municipality to be financially viable it mainly depends on grant funding for its operations. As depicted in Supporting Table SA18 above over the MTREF period there is going to be a decrease in grants allocated to the municipality, this therefore requires the municipality to fully implement strategies to improve on the billing and collection of consumer debtors; and the implementation of the cost containment measures to curb unnecessary expenditure.

1.1.1 Sale of Water and Impact of Tariff Increases

The municipality as a Water Service Authority and Provider is currently experiencing challenges in the billing, collection and implementation of the water tariffs across the district. National Treasury is encouraging all municipalities to carefully review the level and structure of their water tariffs to ensure, that:

- Water tariffs are fully cost-reflective – including the cost of operating and maintenance of purification plants, water networks and the cost associated with reticulation expansion;
- Tariffs are structured such that they protect basic levels of service and ensure the provision of free services to the indigent; and
- Tariffs are designed to encourage efficient and sustainable consumption.

In addition National Treasury has urged all municipalities to ensure that Tariff structures are cost reflective by 2014 and to date the municipality has missed that deadline, as the cost of providing these services is higher that the billing and collection rate for the services referred to.

The municipality is a Water Services Authority (WSA) and Provider (WSP) therefore has to realise own revenue from rendering of water and sanitation services. The above allocations are not sufficient to maintain, repair and ensure the sustainability of the water infrastructure assets that should generate a revenue base for the municipality in order to cover operational and capital costs. Attached is **Annexure A**, indicating the breakdown of the tariffs to be implemented in recognising own revenue from water and sanitation services.

The municipality is reviewing the level and structure of water and sanitation tariffs carefully with a view to ensure that:

- Tariffs are on aggregate fully cost-reflective – inclusive of bulk cost of water, the cost of maintenance of purification/treatment plants and network infrastructure.
- Tariffs are structured to protect basic levels of service; and
- Tariffs are designed to encourage efficient and sustainable consumption (e.g. through inclining block tariffs).

Better maintenance of infrastructure, new dam construction and cost-reflective tariffs will ensure that the supply challenges are managed in future to ensure sustainability.

1.2 Operating Expenditure Framework

The municipality's expenditure framework for the 2017/18 MTREF budget is informed by the following:

- Balanced budget constraint (operating expenditure should not exceed operating revenue) unless there are existing uncommitted cash-backed reserves to fund any deficit;
- Funding of the budget over the medium-term as informed by Section 18 and 19 of the MFMA;
- The capital programme is aligned to the asset renewal strategy and backlog eradication plan;
- Operational gains and efficiencies will be directed to funding the capital budget and other core services;
- The municipality is striving to eliminate all non-priority spending; and
- The municipality is to implement the cost containment measures continuously.

The following table is a high level summary of the 2017/18 MTREF budget (classified per main type of operating expenditure):

Table 5 Summary of operating expenditure by standard classification item –

Chris Hani District Municipality Draft Operating Expenditure 2017/18 MTREF					
Description	**Current Year 2016/17**		**2017/18 Medium Term Revenue & Expenditure Framework**		
R thousand	**Original Budget**	**Adjusted Budget**	**Budget Year 2017/18**	**Budget Year + 2018/19**	**Budget Year + 2019/20**
Expenditure By Type					
Employee related costs	312 011	326 038	349 188	370 139	392 347
Remuneration of councillors	11 954	11 744	12 578	13 333	14 133
Debt impairment	196 237	196 237	196 237	196 237	196 237
Depreciation & asset impairment	130 000	129 991	173 915	184 350	195 411
Finance charges	400	1 100	1 200	1 272	1 348
Bulk purchases	17 050	23 050	24 894	26 387	27 971
Contracted services	16 000	62 991	32 956	25 008	26 508
Transfers and grants	18 540	20 540	20 198	21 290	22 447
Other expenditure	512 052	527 431	460 368	487 990	517 270
Loss on disposal of PPE					
Total Expenditure	**1 214 243**	**1 299 122**	**1 271 533**	**1 326 006**	**1 393 672**

The budgeted allocation for employee related costs for 2017/18 financial year totals R349.2 million, which equals 27,4 % of the total operating expenditure. Based on the three year Salary and Wage Collective Agreement, salary increases have been factored into this budget at a percentage increase of 7% for the 2017/18 financial year. An annual increase of 6% has been included in the two outer years of the MTREF. The municipality has also prioritised the filling of all vacant and critical posts within 2017/18 financial year hence the increase in employee related costs. The cost associated with the remuneration of councillors is determined by the Minister of Co-operative Governance and Traditional Affairs in accordance with the Remuneration of Public Office Bearers Act, 1998 (Act 20 of 1998). The most recent proclamation in this regard has been taken into account in compiling the draft budget. Provision for depreciation and asset impairment has been informed by the municipality's Asset Management Policy and the recent audited financial statements, hence the huge increase in depreciation. Depreciation is widely considered a proxy for the measurement of the rate asset consumption. Budget appropriations in this regard total R173.9 million for the 2017/18 financial and equates to 14 % of the total operating expenditure.

Bulk purchases are directly informed by the purchase of water from Department of Water and Sanitation. The annual price increases have been factored into the budget appropriations and directly inform the expenditure provisions in line with current year expenditure and previous year audit outcomes. Bulk purchases constitute 2% of the total operating expenditure. The municipality needs to implement a comprehensive activity based costing in the relationship between water purchases and the corresponding revenue receivable from the services rendered.

The municipality is currently constrained with capacity and skills issues in various departments hence the use of service providers to enhance business process flows. The municipality will be engaging on a revenue enhancement strategy, shared internal audit, security services and support for the preparation of the annual financial statements hence the use of consultants to assist with the processes. In 2017/18 financial year, this combined expenditure totals R32,9 million and has decreased by 47,7% compared to the second adjustment budget. As part of the process of identifying further cost efficiencies, a business process reengineering project will commence in the 2017/18 financial year to identify alternative practices and procedures, including building in-house capacity for certain activities that are currently being contracted out.

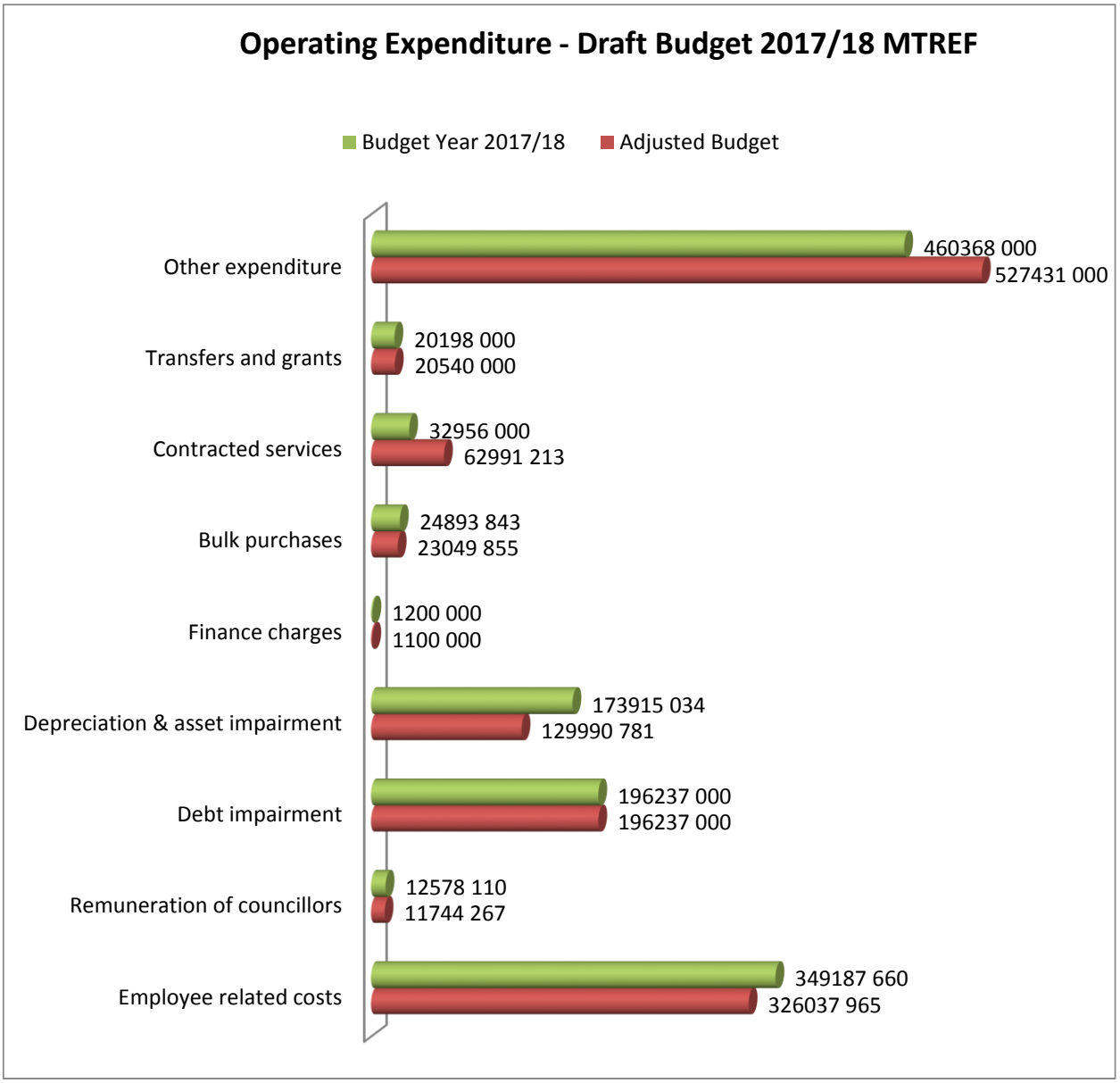
Other expenditure comprises of various line items relating to daily operations of the municipality. This combined expenditure has also been identified as an area in which cost savings and efficiencies can be achieved. Other expenditure has decreased by 12,7% for 2017/18 budget year, when compared to the second adjustment budget. Also included in other expenditure are equitable share funded IDP projects of various departments to the value of R85,2 million that are linked to the SDBIP and repairs and maintenance amounting to R47,4 million or 3,7% of the total operating budget. Other expenditure constitutes 71% of the total other expenditure and 36,2% of the total operating expenditure.

The provision for debt impairment is budgeted for at R196.2 million in 2017/18 financial year and constitutes 15 % of the total operating expenditure. This was determined based on an estimated collection rate of 20 % and the Debt Write-off Policy of the municipality. While this expenditure is a non-cash item, it informed the total cost associated with rendering the services of the municipality, as well as the municipality's realistically anticipated revenues.

The transfers and grants amount to R20,1 million and this comprises of a subsidy to Chris Hani Development Agency of R17.7 million as the operating grant to the agency, R2 million for bursary fund and R 500 thousand for adopted schools.

The following graph gives a breakdown of the main expenditure categories for 2017/18 budget year.

Figure 2 Main operational expenditure categories for the 2017/18 financial year-



1.2.1 Free Basic Services: Indigent Support

The indigent support assists households that are poor or face other circumstances that limit their ability to pay for municipal services. To receive these free basic services the households are required to register in terms of the municipality's indigent policy in respect to the water and sanitation services. The district municipality will has an ongoing indigent registration programme and data cleansing will be conducted as part of the revenue enhancement strategy so as to provide for the indigent households, this process is being reviewed annually.

Detail relating to free services, cost of free basic services, revenue lost owing to free basic services as well as basic service delivery measurement is contained in Table A10 (Basic Service Delivery Measurement) and supporting table SA9.

The cost of the indigent support to the registered indigent households is largely financed by national government through the local government equitable share received in terms of the annual Division of Revenue Act.

The basic services component provides a subsidy of R359.04 per month in 2017/18 for the cost of providing basic services to each of these households. The subsidy includes funding for the provision of free basic water (6 kilolitres per poor household per month), energy (50 kilowatt-hours per month) sanitation and refuse (based on service levels defined by national policy). The monthly amount provided for each service is detailed in Table W1.22 and includes an allocation of 10% for service maintenance costs that is incurred by the municipality. Applicable to Chris Hani district municipality would be a subsidy of R 207.09 per indigent household per month that excludes the energy and refuse components.

Table W1.22 Amounts per basic service allocated through the local government equitable share 2017/18

	Allocation per household below affordability threshold (R per month)		
	Operations	**Maintenace**	**Total**
Energy	68.52	7.61	76.13
Water	104.99	11.67	116.66
Sanitation	81.39	9.04	90.43
Refuse	68.23	7.58	75.81
Total basic services	**323.13**	**35.90**	**359.03**

Source: National Treasury

1.3 Capital expenditure

The following table provides a breakdown of budgeted capital expenditure by vote:

Table 6 2017/18 Medium-term capital budget per vote-

Chris Hani District Municipality Capital Expenditure by vote draft Budget 2017/18 MTREF					
Description	**Current Year 2016/17**		**2017/18 Medium Term Revenue & Expenditure Framework**		
R thousand	**Original Budget**	**Adjusted Budget**	**Budget Year 2017/18**	**Budget Year + 1 2018/19**	**Budget Year + 2 2019/20**
Capital ecpenditure -vote					
Multi-year expenditure to be appropriated					
Vote 7 - Technical Services	611 798	570 851	514 254	454 250	365 503
Capital multi-year expenditure sub-total	**611 798**	**570 851**	**514 254**	**454 250**	**365 503**
Single-year expenditure to be appropriated					
Vote 1 - Council					
Vote 2 - Municipal manager					
Vote 3 - Budget & Treasury	49 527	75 227	42 000	44 250	47 191
Vote 4 - Community Services					
Vote 5 - Corporate Services	80 000	45 000	55 000	58 300	61 798
Vote 6 - Planning & Development					
Capital single-year expenditure sub-total	**129 527**	**120 227**	**97 000**	**102 550**	**135 989**
Total Capital expenditure-vote	**741 325**	**691 078**	**611 254**	**556 800**	**501 492**

For 2017/18 an amount of R514.3 million has been appropriated for the development of infrastructure which represents 84 % of the total capital budget. In the outer years this amount totals to R454 million or 82% and R365 million, 73% of total capital expenditure of the two outer years respectively. The municipality provides water and sanitation services and currently has service delivery backlogs and infrastructure backlogs hence the capital funding is never sufficient to eradicate the backlogs. It is therefore essential for the municipality to explore and enhance the own revenue capabilities to contribute on the improvement of infrastructure. Council out of its reserves has made a provision of R 97 million for 2017/18, R102 million and R135 million for the two outer years to deal with fleet shortages, CHDM Village and improve on tools of trade.

These reserves are generated through VAT claimed from conditional grants and interested raised on funds that are not immediately required.

1.4 Annual Budget Tables - Parent Municipality

The following pages present the main budget tables as required in terms of section 8 of the Municipal Budget and Reporting Regulations. These tables set out the municipality's 2017/18 budget and MTREF as tabled before Council. Each table is accompanied by *explanatory notes*.

Table 7 MBRR Table A1 - Budget Summary-

DC13 Chris Hani - Table A1 Consolidated Budget Summary

Description	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousands	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Financial Performance										
Property rates	–	–	–	–	–	–	–	–	–	–
Service charges	–	185,225	335,760	176,404	176,404	–	–	187,500	198,750	210,675
Investment revenue	25,984	26,116	37,940	28,284	28,284	–	–	33,154	35,110	37,146
Transfers recognised - operational	706,834	505,881	583,546	607,504	628,198	–	–	627,804	655,558	644,525
Other own revenue	15,498	70,044	76,288	81,362	81,362	–	–	85,384	90,495	95,912
Total Revenue (excluding capital transfers and contributions)	748,316	787,267	1,033,533	893,554	914,248	–	–	933,841	979,912	988,258
Employee costs	134,215	210,047	237,462	–	326,038	–	–	349,187	370,138	392,346
Remuneration of councillors	7,331	7,718	9,631	–	11,744	–	–	12,578	13,333	14,133
Depreciation & asset impairment	91,602	122,028	158,105	130,000	129,991	–	–	173,915	184,350	195,411
Finance charges	126	381	735	–	1,100	–	–	1,200	1,272	1,348
Materials and bulk purchases	13,322	14,344	22,585	17,050	23,050	–	–	24,894	26,387	27,971
Transfers and grants	405,924	217,193	248,840	18,540	20,540	–	–	20,198	21,290	22,447
Other expenditure	60,880	493,451	744,230	485,905	786,659	–	–	689,561	709,235	740,015
Total Expenditure	713,401	1,065,163	1,421,587	651,495	1,299,122	–	–	1,271,533	1,326,005	1,393,671
Surplus/(Deficit)	34,915	(277,896)	(388,054)	242,059	(384,874)	–	–	(337,691)	(346,093)	(405,413)
Transfers and subsidies - capital (monetary alloc	331,158	598,425	620,880	505,173	570,851	–	–	514,254	454,250	365,503
Contributions recognised - capital & contributed a	–	–	–	–	–	–	–	–	–	–
Surplus/(Deficit) after capital transfers & contributions	366,073	320,529	232,826	747,232	185,978	–	–	176,563	108,158	(39,910)
Share of surplus/ (deficit) of associate	–	449,141	–	–	–	–	–	–	–	–
Surplus/(Deficit) for the year	366,073	769,670	232,826	747,232	185,978	–	–	176,563	108,158	(39,910)
Capital expenditure & funds sources										
Capital expenditure	–	–	–	–	–	–	–	–	–	–
Transfers recognised - capital	–	–	–	505,173	517,151	–	–	514,254	454,250	365,503
Public contributions & donations	–	–	–	–	–	–	–	–	–	–
Borrowing	–	–	–	–	–	–	–	–	–	–
Internally generated funds	–	–	–	129,527	120,228	–	–	97,000	102,820	108,989
Total sources of capital funds	–	–	–	634,700	637,380	–	–	611,254	557,070	474,492
Financial position										
Total current assets	–	812,921	591,833	554,753	554,753	–	–	35,148	88,712	242,275
Total non current assets	–	3,369,961	3,831,176	5,256,841	5,256,850	–	–	5,122,520	5,669,246	6,132,772
Total current liabilities	–	217,417	219,831	69,718	58,767	–	–	96,941	56,104	28,052
Total non current liabilities	–	47,044	51,929	41,920	55,564	–	–	59,454	63,615	68,068
Community wealth/Equity	–	3,918,422	4,151,249	5,699,956	5,697,272	–	–	5,001,275	5,638,238	6,278,926
Cash flows										
Net cash from (used) operating	–	587,208	627,440	690,532	725,882	–	–	542,498	492,736	366,514
Net cash from (used) investing	–	(598,425)	(620,880)	(602,965)	(656,526)	–	–	(580,691)	(529,217)	(450,767)
Net cash from (used) financing	–	36	37	–	–	–	–	–	–	–
Cash/cash equivalents at the year end	–	351,574	358,171	445,738	427,527	–	–	389,334	352,852	268,599
Cash backing/surplus reconciliation										
Cash and investments available	–	351,574	358,171	372,668	372,668	–	–	–	–	–
Application of cash and investments	–	97,489	178,704	(11,065)	(11,065)	–	–	74,862	(2,444)	(115,029)
Balance - surplus (shortfall)	–	254,085	179,466	383,733	383,733	–	–	(74,862)	2,444	115,029

Explanatory notes to MBRR Table A1 - Budget Summary

1. Table A1 is a budget summary and provides a concise overview of the municipality budget from all of the major financial perspectives (operating, capital, financial position, cash flow, and MFMA funding compliance).
2. The table provides an overview of the amounts approved by Council for operating performance, resources deployed to capital expenditure, financial position, cash and funding compliance, as well as the municipality's commitment to eliminate basic service delivery backlogs.
3. Financial management reforms emphasises the importance of the municipal budget being funded. This requires the simultaneous assessment of the Financial Performance, Financial Position and Cash Flow Budgets, along with the Capital Budget. The Budget Summary provides the key information in this regard:
    a. The operating deficit (after Total Expenditure) is negative over the MTREF increasing into the outer years.
    b. Capital expenditure is balanced by capital funding sources, of which
        i. Transfers recognised is reflected on the Financial Performance Budget;
        ii. Internally generated funds are financed from accumulated cash-backed surpluses from previous years. The amount is incorporated in the Net cash from investing activities on the Cash Flow Budget. .
4. The Cash backing/surplus reconciliation shows that in previous financial years the municipality was not paying much attention to managing this aspect of its finances, and consequently many of its obligations are not cash-backed. This places the municipality in a very vulnerable financial position, as the collection rate of the revenue from water and sanitation services is very low and needs to be enhanced.

Even though Council is placing great emphasis on securing the financial sustainability of the municipality, this is not being done at the expense of providing basic services to the poor. The section of Free Services shows that the amount spent on Free Basic Services and the revenue cost of free services provided by the municipality continues to increase. In addition, the municipality continues to make progress in addressing service delivery backlogs though not at a larger scale as it is grant dependent. The municipality has to ensure that it improves the billing and collection of the revenue from water and sanitation services so as to have cash available to fund service delivery and infrastructure backlogs.

Table 11 MBRR Table A4 - Budgeted Financial Performance (revenue and expenditure)

DC13 Chris Hani - Table A4 Consolidated Budgeted Financial Performance (revenue and expenditure)

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Revenue By Source											
Property rates	2	–	–	–	–	–	–	–	–	–	–
Service charges - electricity revenue	2	–	–	–	–	–	–	–	–	–	–
Service charges - water revenue	2	–	147,645	293,503	142,846	142,846	–	–	151,560	160,653	170,292
Service charges - sanitation revenue	2	–	37,466	42,129	33,558	33,558	–	–	35,940	38,097	40,383
Service charges - refuse revenue	2	–	115	128	–	–	–	–	–	–	–
Service charges - other											
Rental of facilities and equipment		39									
Interest earned - external investments		25,984	26,116	37,940	28,284	28,284			33,154	35,110	37,146
Interest earned - outstanding debtors											
Dividends received											
Fines, penalties and forfeits											
Licences and permits											
Agency services											
Transfers and subsidies		706,834	505,881	583,546	607,504	628,198			627,804	655,558	644,525
Other revenue	2	15,459	70,044	76,288	80,362	80,362	–	–	85,184	90,295	95,712
Gains on disposal of PPE					1,000	1,000			200	200	200
Total Revenue (excluding capital transfers and contributions)		**748,316**	**787,267**	**1,033,533**	**893,554**	**914,248**	**–**	**–**	**933,841**	**979,912**	**988,258**
Expenditure By Type											
Employee related costs	2	134,215	210,047	237,462	–	326,038	–	–	349,187	370,138	392,346
Remuneration of councillors		7,331	7,718	9,631		11,744			12,578	13,333	14,133
Debt impairment	3	(1,087)	341,465	522,558		196,237			196,237	196,237	196,237
Depreciation & asset impairment	2	91,602	122,028	158,105	130,000	129,991	–	–	173,915	184,350	195,411
Finance charges		126	381	735		1,100			1,200	1,272	1,348
Bulk purchases	2	13,322	14,344	22,585	17,050	23,050	–	–	24,894	26,387	27,971
Other materials	8										
Contracted services		9,197	13,065	11,383	16,000	62,991	–	–	32,956	25,008	26,508
Transfers and subsidies		405,924	217,193	248,840	18,540	20,540	–	–	20,198	21,290	22,447
Other expenditure	4, 5	51,635	138,922	208,728	469,905	527,431	–	–	460,368	487,990	517,270
Loss on disposal of PPE		1,136		1,561							
Total Expenditure		**713,401**	**1,065,163**	**1,421,587**	**651,495**	**1,299,122**	**–**	**–**	**1,271,533**	**1,326,005**	**1,393,671**
Surplus/(Deficit)		**34,915**	**(277,896)**	**(388,054)**	**242,059**	**(384,874)**	**–**	**–**	**(337,691)**	**(346,093)**	**(405,413)**
Transfers and subsidies - capital (monetary allocations) (National / Provincial and District)		331,158	598,425	620,880	505,173	570,851			514,254	454,250	365,503
Transfers and subsidies - capital (monetary allocations) (National / Provincial Departmental Agencies, Households, Non-profit Institutions, Private Enterprises, Public Corporatons, Higher	6	–	–	–	–	–	–	–	–	–	–
Transfers and subsidies - capital (in-kind - all)											
Surplus/(Deficit) after capital transfers & contributions		**366,073**	**320,529**	**232,826**	**747,232**	**185,978**	**–**	**–**	**176,563**	**108,158**	**(39,910)**
Taxation											
Surplus/(Deficit) after taxation		**366,073**	**320,529**	**232,826**	**747,232**	**185,978**	**–**	**–**	**176,563**	**108,158**	**(39,910)**
Attributable to minorities											
Surplus/(Deficit) attributable to municipality		**366,073**	**320,529**	**232,826**	**747,232**	**185,978**	**–**	**–**	**176,563**	**108,158**	**(39,910)**
Share of surplus/ (deficit) of associate	7		449,141								
Surplus/(Deficit) for the year		**366,073**	**769,670**	**232,826**	**747,232**	**185,978**	**–**	**–**	**176,563**	**108,158**	**(39,910)**

Explanatory notes to Table A4 - Budgeted Financial Performance (revenue and expenditure)

1. Total revenue is R933.8 million in 2017/18 and escalates to R 988.3 million by 2019/20. This represents a year-on-year increase of 5% for 2018/19 financial year and 1 % for 2019/20 financial year.
2. Revenue to be generated from water and sanitation services is R 87.5 million in 2017/18 financial year and increases to R210.7 million by 2019/20 and represents 20% of the total operating revenue and therefore indicating that the municipality is heavily grant dependent. It remains relatively constant over the medium-term, this income stream is the revenue base of the municipality that must improve moving into the future.
3. Transfers recognised – operating, includes the local government equitable share and other operating grants from national and provincial government. These grants form 67 % of the total revenue base of the municipality therefore an indication that the municipality has to focus on the billing and collection of own revenue to have a better cash flow position.
4. The following graph illustrates the major revenue items per type.
5. Employee related costs are the major cost driver for the municipality at 27% of the total operating expenditure budget. These costs have increased significantly over the years due to the filling of vacancies that existed in the municipality and also annual increase in line with the collective agreement of the bargaining council. The water and sanitation take over has also influenced this cost as employees that were in local municipalities have been transferred to the district municipality and are in a process of being integrated to the municipality.
6. The table above reflects an overall decrease of 2% in the budget for operating expenditure when compared to the second adjustment budget.

    - The increase was influenced by the following expenditure items:

        - ✓ Employee related costs and Remuneration of councillors by 7%;
        - ✓ Depreciation & asset impairment by 33,8%; and
        - ✓ Water Bulk purchases by 8%.

    - The following expenditure items have however decreased:-

        - ✓ Contracted services by 48%; and
        - ✓ Other Expenditure by 13%.

Table 12 MBRR Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source-

DC13 Chris Hani - Table A5 Consolidated Budgeted Capital Expenditure by vote, functional classification and funding

Vote Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand	1	Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
Capital expenditure - Vote											
Multi-year expenditure *to be appropriated*	2										
Vote 1 - Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Budget & Treasury		–	–	–	–	–	–	–	–	–	–
Vote 4 - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Corporate Services		–	–	–	–	–	–	–	–	–	–
Vote 6 - Planning & Development		–	–	–	–	–	–	–	–	–	–
Vote 7 - Technical Services		–	–	–	505,173	570,851	–	–	514,254	454,250	365,503
Vote 8 - Roadworks		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital multi-year expenditure sub-total	7	**–**	**–**	**–**	**505,173**	**570,851**	**–**	**–**	**514,254**	**454,250**	**365,503**
Single-year expenditure *to be appropriated*	2										
Vote 1 - Council		–	–	–	–	–	–	–	–	–	–
Vote 2 - Municipal Manager		–	–	–	–	–	–	–	–	–	–
Vote 3 - Budget & Treasury		–	–	–	49,527	75,228	–	–	42,000	44,520	47,191
Vote 4 - Community Services		–	–	–	–	–	–	–	–	–	–
Vote 5 - Corporate Services		–	–	–	80,000	45,000	–	–	55,000	58,300	61,798
Vote 6 - Planning & Development		–	–	–	–	–	–	–	–	–	–
Vote 7 - Technical Services		–	–	–	–	–	–	–	–	–	–
Vote 8 - Roadworks		–	–	–	–	–	–	–	–	–	–
Vote 9 - [NAME OF VOTE 9]		–	–	–	–	–	–	–	–	–	–
Vote 10 - [NAME OF VOTE 10]		–	–	–	–	–	–	–	–	–	–
Vote 11 - [NAME OF VOTE 11]		–	–	–	–	–	–	–	–	–	–
Vote 12 - [NAME OF VOTE 12]		–	–	–	–	–	–	–	–	–	–
Vote 13 - [NAME OF VOTE 13]		–	–	–	–	–	–	–	–	–	–
Vote 14 - [NAME OF VOTE 14]		–	–	–	–	–	–	–	–	–	–
Vote 15 - [NAME OF VOTE 15]		–	–	–	–	–	–	–	–	–	–
Capital single-year expenditure sub-total		**–**	**–**	**–**	**129,527**	**120,228**	**–**	**–**	**97,000**	**102,820**	**108,989**
Total Capital Expenditure - Vote		**–**	**–**	**–**	**634,700**	**691,080**	**–**	**–**	**611,254**	**557,070**	**474,492**
Capital Expenditure - Functional											
Governance and administration		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Executive and council											
Finance and administration											
Internal audit											
Community and public safety		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Community and social services											
Sport and recreation											
Public safety											
Housing											
Health											
Economic and environmental services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Planning and development											
Road transport											
Environmental protection											
Trading services		**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Energy sources											
Water management											
Waste water management											
Waste management											
Other											
Total Capital Expenditure - Functional	3	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Funded by:											
National Government					505,173	517,151			504,254	454,250	365,503
Provincial Government					–	–			10,000	–	–
District Municipality					–	–					
Other transfers and grants					–	–					
Transfers recognised - capital	4	**–**	**–**	**–**	**505,173**	**517,151**	**–**	**–**	**514,254**	**454,250**	**365,503**
Public contributions & donations	5										
Borrowing	6										
Internally generated funds					129,527	120,228			97,000	102,820	108,989
Total Capital Funding	7	**–**	**–**	**–**	**634,700**	**637,380**	**–**	**–**	**611,254**	**557,070**	**474,492**

Explanatory notes to Table A5 - Budgeted Capital Expenditure by vote, standard classification and funding source

1. Table A5 is a breakdown of the capital programmes in relation to capital expenditure by municipal vote (multi-year and single-year appropriations); capital expenditure by standard classification; and the funding sources necessary to fund the capital budget, including information on capital transfers from national and provincial departments.
2. The MFMA provides that a municipality may approve multi-year or single-year capital budget appropriations. In relation to multi-year appropriations, for 2017/18 R514.3 million has been allocated, which totals to 84 % of total capital budget. This allocation decreases to R454.3 million in 2018/19 and to R365.5 million in 2019/20.
3. Single-year capital expenditure has been appropriated at R97 million for the 2017/18 financial year and remains relatively constant over the MTREF at levels of R102.8 million and R108.9 million respectively for the two outer years.
4. Unlike multi-year capital appropriations, single-year appropriations relate to expenditure that will be incurred in the specific budget year such as the procurement of vehicles, CHDM Village, furniture and office equipment, specialized tools and equipment. The budget appropriations for the two outer years are indicative allocations based on the departmental business plans as informed by the IDP and will be reviewed on an annual basis to assess the relevance of the expenditure in relation to the strategic objectives and service delivery imperatives of the municipality. For the purpose of funding assessment of the MTREF, these appropriations have been included but no commitments will be incurred against single-year appropriations for the two outer-years.
5. The capital programme is funded from capital and provincial grants and transfers. For 2017/18, capital transfers totals R514.3 million (100 %) and declines to R365.5 million by 2019/20 (30 %). The municipality is solely dependent on grant funding to fund the capital budget, to improve its infrastructure and deal with basic services backlogs.

Table 13 MBRR Table A6 - Budgeted Financial Position-

DC13 Chris Hani - Table A6 Consolidated Budgeted Financial Position

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
ASSETS											
Current assets											
Cash			394,054	358,171	372,668	372,668					
Call investment deposits	1	–	–	–	–	–	–	–	–	–	–
Consumer debtors	1	–	336,195	111,349	107,112	107,112	–	–	35,148	88,712	242,275
Other debtors			74,695	115,247	59,519	59,519					
Current portion of long-term receivables											
Inventory	2		7,977	7,066	15,454	15,454					
Total current assets		**–**	**812,921**	**591,833**	**554,753**	**554,753**	**–**	**–**	**35,148**	**88,712**	**242,275**
Non current assets											
Long-term receivables											
Investments											
Investment property											
Investment in Associate			1,500	1,500	1,500	1,500			1,500	1,590	1,685
Property, plant and equipment	3	–	3,367,915	3,829,286	5,254,898	5,254,907	–	–	5,121,020	5,667,656	6,131,087
Agricultural											
Biological											
Intangible			546	390	443	443					
Other non-current assets											
Total non current assets		**–**	**3,369,961**	**3,831,176**	**5,256,841**	**5,256,850**	**–**	**–**	**5,122,520**	**5,669,246**	**6,132,772**
TOTAL ASSETS		**–**	**4,182,882**	**4,423,009**	**5,811,594**	**5,811,603**	**–**	**–**	**5,157,669**	**5,757,958**	**6,375,047**
LIABILITIES											
Current liabilities											
Bank overdraft	1		42,481								
Borrowing	4	–	14	51	–	–	–	–	–	–	–
Consumer deposits											
Trade and other payables	4	–	174,922	219,780	58,767	58,767	–	–	96,941	56,104	28,052
Provisions					10,951						
Total current liabilities		**–**	**217,417**	**219,831**	**69,718**	**58,767**	**–**	**–**	**96,941**	**56,104**	**28,052**
Non current liabilities											
Borrowing		–	–	–	–	–	–	–	–	–	–
Provisions		–	47,044	51,929	41,920	55,564	–	–	59,454	63,615	68,068
Total non current liabilities		**–**	**47,044**	**51,929**	**41,920**	**55,564**	**–**	**–**	**59,454**	**63,615**	**68,068**
TOTAL LIABILITIES		**–**	**264,460**	**271,760**	**111,638**	**114,331**	**–**	**–**	**156,394**	**119,720**	**96,121**
NET ASSETS	5	**–**	**3,918,422**	**4,151,249**	**5,699,956**	**5,697,272**	**–**	**–**	**5,001,275**	**5,638,238**	**6,278,926**
COMMUNITY WEALTH/EQUITY											
Accumulated Surplus/(Deficit)			3,918,422	4,151,249	5,699,956	5,697,272			5,001,275	5,638,238	6,278,926
Reserves	4	–	–	–	–	–	–	–	–	–	–
TOTAL COMMUNITY WEALTH/EQUITY	5	**–**	**3,918,422**	**4,151,249**	**5,699,956**	**5,697,272**	**–**	**–**	**5,001,275**	**5,638,238**	**6,278,926**

Explanatory notes to Table A6 - Budgeted Financial Position

1. Table A6 is consistent with international standards of good financial management practice, and improves understandability by council and management of the impact of the budget on the statement of financial position (balance sheet).
2. This format of presenting the statement of financial position is aligned to GRAP1, which is generally aligned to the international version which presents Assets less Liabilities as "accounting" Community Wealth. The order of items within each group illustrates items in order of liquidity; i.e. assets readily converted to cash, or liabilities immediately required to be met from cash, appear first.
3. Table 6 is supported by an extensive table of notes in supporting table SA3 providing a detailed analysis of the major components of a number of items, including:
    - Call investments deposits;
    - Consumer debtors;
    - Property, plant and equipment;
    - Trade and other payables;
    - Non-current provisions ;
    - Changes in net assets; and
    - Reserves.
4. The municipal equivalent of equity is Community Wealth/Equity. The justification is that ownership and the net assets of the municipality belong to the community.
5. Any movement on the Budgeted Financial Performance or the Capital Budget will inevitably impact on the Budgeted Financial Position. As an example, the collection rate assumption will impact on the cash position of the municipality and subsequently inform the level of cash and cash equivalents at year end. Similarly, the collection rate assumption should inform the budget appropriation for debt impairment which in turn would impact on the provision for debt impairment. These budget and planning assumptions form a critical link in determining the applicability and relevance of the budget as well as the determination of ratios and financial indicators. In addition the funding compliance assessment is informed directly by forecasting the statement of financial position for the MTREF.

Table 14 MBRR Table A7 - Budgeted Cash Flow Statement –

DC13 Chris Hani - Table A7 Consolidated Budgeted Cash Flows

Description	Ref	2013/14	2014/15	2015/16	Current Year 2016/17				2017/18 Medium Term Revenue & Expenditure Framework		
R thousand		Audited Outcome	Audited Outcome	Audited Outcome	Original Budget	Adjusted Budget	Full Year Forecast	Pre-audit outcome	Budget Year 2017/18	Budget Year +1 2018/19	Budget Year +2 2019/20
CASH FLOW FROM OPERATING ACTIVITIES											
Receipts											
Property rates									–	–	–
Service charges			48,106	74,693	35,281	35,281			65,625	79,500	94,804
Other revenue					72,326	72,326			105,665	111,265	86,141
Government - operating	1		505,881	583,546	607,504	628,198			598,804	625,558	644,525
Government - capital	1		598,425	620,880	505,173	570,851			514,254	454,250	365,503
Interest			26,116	37,940	28,284	28,284			33,154	35,110	37,146
Dividends									–	–	–
Payments											
Suppliers and employees			(590,939)	(688,884)	(539,495)	(587,418)			(753,606)	(790,386)	(837,809)
Finance charges			(381)	(735)	–	(1,100)			(1,200)	(1,272)	(1,348)
Transfers and Grants	1				(18,540)	(20,540)			(20,198)	(21,290)	(22,447)
NET CASH FROM/(USED) OPERATING ACTIVITIES		–	**587,208**	**627,440**	**690,532**	**725,882**	–	–	**542,498**	**492,736**	**366,514**
CASH FLOWS FROM INVESTING ACTIVITIES											
Receipts											
Proceeds on disposal of PPE									–	–	–
Decrease (Increase) in non-current debtors									–	–	–
Decrease (increase) other non-current receivables									–	–	–
Decrease (increase) in non-current investments									–	–	–
Payments											
Capital assets			(598,425)	(620,880)	(602,965)	(656,526)			(580,691)	(529,217)	(450,767)
NET CASH FROM/(USED) INVESTING ACTIVITIES		–	**(598,425)**	**(620,880)**	**(602,965)**	**(656,526)**	–	–	**(580,691)**	**(529,217)**	**(450,767)**
CASH FLOWS FROM FINANCING ACTIVITIES											
Receipts											
Short term loans									–	–	–
Borrowing long term/refinancing									–	–	–
Increase (decrease) in consumer deposits									–	–	–
Payments											
Repayment of borrowing			36	37					–	–	–
NET CASH FROM/(USED) FINANCING ACTIVITIES		–	**36**	**37**	–	–	–	–	–	–	–
NET INCREASE/ (DECREASE) IN CASH HELD		–	**(11,181)**	**6,597**	**87,568**	**69,356**	–	–	**(38,193)**	**(36,481)**	**(84,253)**
Cash/cash equivalents at the year begin:	2		**362,755**	**351,574**	**358,171**	**358,171**			**427,527**	**389,334**	**352,852**
Cash/cash equivalents at the year end:	2	–	**351,574**	**358,171**	**445,738**	**427,527**	–	–	**389,334**	**352,852**	**268,599**

Explanatory notes to Table A7 - Budgeted Cash Flow Statement

1. The budgeted cash flow statement is the first measurement in determining if the budget is funded.
2. It shows the expected level of cash in-flow versus cash out-flow that is likely to result from the implementation of the budget.
3. It can be seen that the cash levels of the municipality decline over the years 2017/18 to 2019/20 due to the decline in conditional grant allocations received by the municipality and increased operating expenditure. In 2017/18 budget year there is a decline in the cash levels responding to the increased operating expenditure budget and a decline in conditional grant allocations of the municipality. Further the municipality needs to take into consideration a realistic collection rate as this has implications on the funding of the budget.
4. The draft 2017/18 MTREF provides for a further net decrease in cash of R120.8 million.
5. The 2017/18 MTREF has been informed by the planning principle of a 40 % collection rate on water and sanitation services revenue.

Cash and cash equivalents totals R389.3 million as at the end of 2017/18 financial year and declines to R268.5 million by 2019/20.

The Chris Hani District Municipality as a Water Services Authority and Provider delivers the service in the area of the six (formerly eight) local municipal areas within its jurisdiction.
The National Treasury is encouraging all Municipalities to implement tariff structure that reflect the following;

- Water tariffs that are fully cost-reflective – including the cost of maintenance and renewal of purification plants, water networks and the cost associated with reticulation expansion;
- Water tariffs that are structured to protect basic levels of service and ensure the provision of free water to the poorest of the poor (indigent); and
- Water tariffs that are designed to encourage efficient and sustainable consumption.

Chris Hani District Municipality as a Water Services Provider therefore has to raise sufficient own revenue from the rendering of water and sanitation services. Since the municipality has not increased the water and sanitation tariffs for past two years, the level of own revenue raised from the service is not sustainable to maintain, repair and ensure the sustainability of the water infrastructure assets that should generate a revenue base for the municipality in order to cover operational and capital costs. The proposed tariff increase below is based on the guidelines provided by the National Treasury for the 2017/2018 MEDIUM TERM REVENUE AND EXPENDITURE FRAMEWORK. In terms of the proposal, the increase should be linked to the consumer price index (CPI) which is estimated to be 6.1% for 2016/ 2017. The tariff will be applicable for the following period; start date: 01 JULY 2017 and end date: 30 JUNE 2018

7. TARIFFS: WATER SUPPLY SERVICES AND INCIDENTAL CHARGES

The amounts due for water services for the 2017/2018 financial year be paid on dates as indicated on accounts which will be rendered from 1 July 2017.

- The Sewerage Charges will be linked to the account where either a waterborne sewer connection or septic tank sewer is available.
- Reference to “per month” in the tariffs is based on a meter reading period of 30 days with regard to the calculation of a charge for the free consumption portion.
- Use is the determining factor for tariff application but where a mixed use occurs on any given property the property zoning will be the determining factor in the tariff Application.
- ALL TARIFFS LISTED BELOW OR TO BE CALCULATED IN TERMS OF THIS SCHEDULE OF TARIFFS **INCLUDE VAT.**

8. WATER TARIFFS

Charges shall be levied in respect of each separate connection for water. The tariffs relating to consumption of water will be levied as from 01 July 2017 on all accounts linked to water and accounts opened after July 2017 will be levied for the applicable period of the year.

9. SANITATION TARIFFS

A flat rate shall be levied in respect of each household / business / institution relating to sanitation. The tariffs applicable for sanitation services shall apply from 01 July 2017 and accounts opened after July 2017 will be levied for the applicable period of the year.

10. CONSUMPTION TARIFFS BASED ON WATER RELATED SERVICES

The tariffs listed under this section shall be payable where water, used solely for household purposes, including temporarily connections for this purpose, has been supplied. In the case of hostels and old age homes, every 4 beds shall be deemed to be a residential unit. Where the Housing Department officially accommodates two or three beneficiaries (families) per stand, each beneficiary (family) is deemed to be a residential unit.

4.1 Domestic / Household Water Use

This tariff is only applicable to properties used exclusively for household purposes.

In the event that a small business is conducted as a primary right in terms of a Town Planning Scheme, or home enterprise in terms of the Council's policy, from a property used for household purposes, and the connection size is either a 15mm or 20mm connection, the tariffs in the table below shall apply. However, any connection which is greater than 20mm and the property is not exclusively used for residential purposes, shall be charged in terms of the tariffs. Spaza Shops, defined as an area of a dwelling unit and or associated immovable outbuilding not more than 20m² in extent, used by the occupant of such a dwelling unit for the purposes of selling basic household goods, is also included in this tariff, provided the connection size is either a 15mm or 20mm connection.

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Water Consumption (Domestic/Household use)			
0-6	8.66	0.53	**9.19**
7-15	10.02	0.61	**10.63**
16-30	12.28	0.75	**13.03**
31-45	15.29	0.93	**16.22**
46-60	16.70	1.02	**17.72**
61 or more	18.85	1.15	**20.00**

4.2 Institutional Water Use: Welfare Organizations, Government Schools Institutional Public Hospitals, Churches

Public Benefit Organizations, Non-Governmental Organizations and Cultural Organizations approved in terms of section 30 of the Income Tax Act 58 of 1962, read with items 1, 2 and 4 of the ninth Schedule to the Act; Welfare organizations registered in terms of the National Welfare Act, 1978 (Act No 100 of 1978), State Assisted Public Schools or Colleges, Public Hospitals and Churches.

The tariff payable in terms of this item is as follows:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Water Consumption (Institutional, etc)			
0-200kls per month	10.24	0.62	**10.86**
201-2500 kl per month	11.32	0.69	**12.01**

2501 or more kl per month	12.39	0.76	**13.15**

4.3 Business and Other Water Uses

The tariffs listed in this item are payable in respect of all uses not listed in items 4.1 and 4.2. These tariffs apply to e.g. the following uses: business, commercial, industrial, government, mining, private schools, crèches, sport clubs including sport clubs whose lease agreements with Council have expired, private hostels, private hospitals and clinics, agriculture, temporary connections for building or business use, fire hydrant use, including Council owned properties, where the usage is not defined as in paragraphs 4.1 and 4.2

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Water Consumption (Business & other use)			
0 – 5 000 kl / month	13.14	0.80	**13.94**
5001 -25000 kl / month	13.36	0.81	**14.17**
25 001- 50000 kl/month	13.57	0.83	**14.40**
50 001- or more kl / month	13.57	0.83	**14.40**

The tariffs listed in this item shall be levied in respect of each water connection provided to the premises on which a use as intended in this item is being exercised. The relevant tariffs listed in this item shall be levied accumulatively.

4.4 Un-metered and/or Unread Water Meter Connections

Tariffs payable in respect of un-metered and/or unread connections where the Water Supply By laws of the Council do not provide an alternative method for calculating consumption or estimating consumption for purposes of interim charges:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Water Consumption (no meter/unread meter) - Flat Rate (Per Month)			
Domestic/Household	91.00	5.55	**96.55**
Institutional	118.30	7.22	**125.52**

Business & other	127.40	7.77	**135.17**

4.5 Minimum Basic Charges / Availability of Water Infrastructure

Any premises, including vacant stands, where Council Water Supply is available, but the supply is not directly connected to the Council's water reticulation system, the monthly minimum basic charge / availability charge below will be levied until such time that the relevant premises including vacant stands, have been connected where after the tariff sliding scale in item 4.1 will apply for households, the tariff sliding scale in item 4.2 will apply for institutions and the tariff sliding scale in item 4.3 will apply for businesses.

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Water Basic (Availability) – Per Month			
Domestic/Household	91.00	5.55	**96.55**
Institutional/ Government	118.30	7.22	**125.52**
Business	127.40	7.77	**135.17**

4.6 Flow Restriction/Water Consumption Management Meter

4.6.1 Properties used exclusively for household purposes as defined in 4.1: For as long as a flow restriction/water consumption management meter implemented by the Head of Department: Water and Sanitation or his nominee in respect of the supply of water to the relevant premises applicable, the relevant tariff listed as per 4.1 shall be payable:

4.6.2 Registered Indigent Account Holders as defined in the Indigent Policy: If so requested by a registered indigent account holder, or deemed necessary by the Head of Department:
Water and Sanitation or his nominee, a flow restrictor/water consumption management meter can be installed on the premises, subject to such Indigent being registered in terms of the Council's Indigent Policy:

The registered indigent will receive the allocated 6 kl free basic water per month on a monthly pro rata basis where after the tariff in 4.1 will be applicable

4.7 Private Internal Water Leaks (Households/Domestic)

In case of exceptionally high meter readings of water consumption in households, due to leaks from a private internal pipeline, the Council may determine that the excess consumption be levied at **R9.27** per kilolitre for a maximum period of 91 days, the commencement date of such period to be determined in the entire discretion of the affected party. A reduction in consumption is required as well as proof of the leak been rectified as substantiated by a plumber's letter of confirmation of leak being fixed or affidavit from the consumer which must be submitted to the municipality within 90 days after repair of the leak.

4.8 Service Audit

4.8.1 Where a service audit identifies residential and agricultural zoned properties used for business purposes, the adjustment to service charges from residential to business use will be effected from the date the audit was conducted.

4.8.2 The water consumption in government subsidized housing scheme areas identified through a service audit in respect of water meters not being incorporated in the Council's records will be calculated from the date the error was detected, provided a reading was obtained on such a date.

4.9 Utility Services – Water Tariffs (Water Delivery)

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
UTILITY SERVICES - WATER TARIFFS (WATER DELIVERY)			
Domestic / Households			
Tariff per load	400.00	56.00	**456.00**
Commercial - per Load			
Water supplied to premises predominantly of a commercial nature	400.00	56.00	**456.00**
Industrial - Per Load			
Water which is used in manufacturing, generating electricity, land-based transport, construction or any related purpose	400.00	56.00	**456.00**
Government - Per load			
National and Provincial Departments	400.00	56.00	**456.00**
Schools / Sport Bodies / Churches / Charities – Per Load			
Any educational activity / sporting activity / religious activity / charitable activity	400.00	56.00	**456.00**
Homeless people shelters / Homes catering for physically or mentally challenged individuals - Per kl per person			
Homeless people shelters/ homes catering for the health of physically or mentally challenged individuals, including HOMAC accredited children's homes, registered with council on an annual basis. A sworn affidavit must accompany the application indicating the number of people normally accommodated at the facility			

Step 1 (0 to 1.5kls)	-	-	-
Step 2 (above 1.6kls)	12.61	0.77	**13.38**
Additional Charges			
Labour - Charged per person	44.90	2.74	**47.64**
Travel Expenses - Charged per kilometer	8.00	0.49	**8.49**

11. CONNECTION PIPES, WATER CONNECTIONS INCLUDING FIRE CONNECTIONS OR UPGRADING OF SUCH CONNECTIONS, METERING OF UNMETERED CONNECTIONS AND METERING OF UNMETERED FIRE CONNECTIONS USED ILLEGALLY

The following tariffs or charges are payable in respect of the installation of connection pipes, water connections including fire connections or upgrading of such connections, the metering of unmetered connections and where existing unmetered fire connections are unlawfully used.
In the latter case the Council reserves the right to change the water supply installation to a meter installation metered by a combination meter as sized by the Council and to recover the appropriate cost as listed in 5.1.1 from the owner. **(All tariffs include Vat).**

5.1 Where a water or fire hydrant connection is supplied:
(Note: Only combination meters are to be installed for connections larger than 25mm up to 150mm.)
5.1.1 Combination meters

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Water Combination Meters Connections (Where water or fire hydrant connection is supplied)			
50mm	32,991.00	2,012.45	**35,003.45**
80mm	35,978.00	2,194.66	**38,172.66**
100mm	44,222.00	2,697.54	**46,919.54**

150mm	70,188.00	4,281.47	**74,469.47**

5.1.2 Normal meters and Water Consumption Management meters. (WCM).

It is currently CHDM policy to only install WCM meters and the charges for normal meters are only included should the policy revert back to normal mechanical meters.

Installation, including a standpipe, the connection into the reticulation pipeline, connection pipe to meter, isolating valve, meter, meter box with connecting pipe extending to boundary line and / or entrance to stand. (Road crossing included).

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Main Meter Connection (incl road crossing)			
15mm	2,271.00	138.53	**2,409.53**
15mm WCM	3,269.00	199.41	**3,468.41**
25mm	4,238.00	258.52	**4,496.52**

The installation of a Water Consumption Management meter is at the discretion of the Head of Department: Water and Sanitation.

5.1.3 Full Installation by Council

Which includes a standpipe, the connection into the reticulation pipeline, connection pipe to meter, isolating valve, meter, meter box with connecting pipe extending to boundary line and *I* or entrance to stand, (Road crossing excluded – refer paragraph 6):

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
Main Meter Connection (excl road crossing)			
15mm	1,729.00	105.47	**1,834.47**
15mm WCM	2,767.00	168.79	**2,935.79**

The installation of a Water Consumption Management meter is at the discretion of the Head of Department: Water and Sanitation.

12. ILLEGAL CONNECTIONS AND/OR CONSUMPTIONS AND DAMAGES TO SERVICES

Fines for the Illegal use of fire connections and/or use of unauthorized connections / consumption, calculated as fees per unit (Household / Business) representing water consumption and related administration costs, and fees per incident representing water consumption and related administration costs in the case of illegal activities relating to damages to services:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
ILLEGAL CONNECTIONS AND/OR CONSUMPTIONS AND DAMAGES TO SERVICES			
Fines for the Illegal use of the fire connection and/or use of unauthorized connections / consumption:			
DOMESTIC	5,006.00	305.37	**5,311.37**
BUSINESS	10,201.00	622.26	**10,823.26**
Fines for other illigal activities relating to damages to services			
Unauthorized usage by vehicles such as tankers	13,800.00	841.80	**14641.80**

6.1 OTHER ILLEGAL ACTIVITIES RELATING TO DAMAGES TO SERVICES

Fees calculated per incident:

- **Any damages to the network or connections:**

  Actual Cost of Repairs + Cost of Water Loss + 15 % Administration Fee

- **Neglect by an owner to repair a leaking fire connection within 48 hours after notification in terms of the CHDM Policy:**

  Actual Cost of Repairs + 15 % Administration Fee

7. CHARGES IN RESPECT OF SERVICES FOR WHICH NO TARIFFS ARE LISTED

In cases where a connection to or service in respect of the water system is required and for which a charge has not been listed above, the party applying for such connection or service shall pay:

- **The Cost of such work + an Administration Fee of 15%**, such cost to be determined by the Head of Department: Water and Sanitation or his nominee in advance and such cost to be paid in advance.

8. READING OF METERS ON REQUEST

Should a person require that a meter be read at any time other than the time appointed by the Head of Department: Water and Sanitation or his nominee, a charge shall be paid in advance for each such reading:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
READING OF METERS ON REQUEST FROM CONSUMER			
READING METERS	236.00	14.40	**250.40**

9. DISCONTINUATION AND RESTRICTION OF WATER SUPPLY AS CREDIT CONTROL MEASURE AND RE-INSTATEMENT OF SUPPLY

In the event of the water supply to a premises being cut off or restricted as a credit control measure, the consumer will be charged the following tariffs:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
DISCONTINUATION AND RESTRICTION OF WATER SUPPLY AS A CREDIT CONTROL MEASURE AND RE-INSTATEMENT OF SUPPLY			
Domestic / Households Usage			
To deliver by hand at the premises being supplied with water, a notice addressed to the consumer instructing the consumer to settle the account within 14 days from the date of the notice: No proof of delivery required	78.00	4.76	**82.76**
To install Water Consumption Management meter in order to restrict the flow through the connection to 30 kl or less per month - applicable to 15mm connection	2,691.00	164.15	**2,855.15**
To disconnect the water supply by removing the connection pipe and / or T piece or meter	836.00	51.00	**887.00**
To adjust the Water Consumption management meter in order to re-instate full flow to the premises - applicable to 15mm connection	439.00	26.78	**465.78**
Business & Other Usage			
To deliver by hand at the premises being supplied with water, a notice addressed to the consumer instructing the consumer to settle the account within 14 days from the date of the notice: No proof of delivery required	78.00	4.76	**82.76**
To terminate the water supply	836.00	51.00	**887.00**
To re-instate the water supply	836.00	51.00	**887.00**
To install Water Consumption Management meter in order to restrict the flow through the connection to 30 kl	2,691.00	164.15	**2,855.15**

or less per month			
To adjust the Water Consumption Management meter in order to re-instate full flow to the premises	439.00	26.78	**465.78**
To disconnect the water supply by removing the connection pipe and / or T piece or meter	836.00	51.00	**887.00**

10. DAMAGES TO THE MUNICIPAL WATER PIPE SYSTEM AND/OR WATER INSTALLATIONS

Any damages to the municipal pipe system and/or installation: Actual Costs of Repairs + Cost of Water Loss calculated as follows:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
WATER			
DAMAGES TO THE MUNICIPAL WATER PIPE SYSTEM			
Pipes with diameter 50mm or less	6,111.00	372.77	**6,483.77**
Pipes with diameter between 50mm and 100mm	12,223.00	745.60	**12,968.60**
Pipes with diameter between 100mm and 250mm	18,334.00	1,118.37	**19,452.37**
Pipes with diameter between 250mm and 400mm	24,446.00	1,491.21	**25,937.21**
Pipes with diameter between 400mm and 700mm	48,892.00	2,982.41	**51,874.41**
Pipes with diameter greater than 700mm	67,226.00	4,100.79	**71,326.79**

11. TARRIFFS FOR SECURITIES / DEPOSITS PAYABLE ON OPENING OF NEW WATER & SANITATION SERVICES ACCOUNTS:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
DEPOSITS / SECURITIES			
OPENING OF NEW WATER & SANITATION SERVICES ACCOUNT			
Domestic / Household	400.00	24.40	**424.40**
Business / Institutions & Other	1,067.00	65.10	**1132.10**

12. TARIFFS RELATING TO SANITATION RELATED SERVICES

12.1 MONTHLY FLAT RATE SANITATION TARIFFS:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
SANITATION			
Basic Charge per Month (Flat Rate)			
Domestic / Households	R 59.96	R 3.66	**R 63.62**
Business	R 98.84	R 6.03	**R 104.87**
Government	R 99.77	R 6.09	**R 105.86**
Churches, Hotels, Schools & Hospitals	R 94.13	R 5.74	**R 99.87**

12.2 OTHER SANITATION RELATED TARIFFS:

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
SANITATION			
Night-soil Removals per load			
Night-soil removals (Buckets)	R 65.66	4.00	**69.66**
New Sewer Connection			
100mm Sewer Connection	R 1,250.00	76.25	**1,326.25**
150mm Sewer Connection	R 1,540.00	93.94	**1,633.94**
Unblocking of Drains			
Domestic	R 109.34	6.66	**116.00**
Business	R 195.97	11.95	**207.92**
Government	R 215.57	13.15	**228.72**

12.3 Sewerage Tariffs

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018

SANITATION			
Sewerage charges (waterborne sewer system)			
Domestic / Households Full - Standard			
Single residential properties- 70% of water consumption to a maximum of 35kl of sewerage per month (70% of 50kl water = 35 kl of sewerage)			
Step 1 (0to 4kl) - Per kl	7.84	0.48	**8.32**
Step 2 (4.1kl to 7.35kl) - Per kl	8.21	0.50	**8.71**
Step 3 (7.36kl to 14 kl) - Per kl	15.46	0.94	**16.40**
Step 4 (14.1 kl to 24.5 kl) - Per kl	16.90	1.03	**17.93**
Step 5 (24.6kl to 35 kl) - Per kl	17.74	1.08	**18.82**
Commercial - Standard - Per kl			
95% of water consumption	10.96	0.67	**11.63**
Industrial - Standard - Per kl			
95% of water consumption	10.96	0.67	**11.63**
Government - Standard - Per kl			
National / Provincial – 95% of water consumption	10.96	0.67	**11.63**
Schools / Sport Bodies / Churches / Charities - Standard - Per kl			
Any educational activity / sporting activity / religious activity / charitable activity	10.96	0.67	**11.63**
Miscellaneous - Standard - Per kl			
All consumers who do not fall within the above categories	10.96	0.67	**11.63**
Homeless people shelters / Homes catering for physically or mentally challenged individuals - Standard - Per kl per person			
Homeless people shelters/ homes catering for the health of physically or mentally challenged individuals, including HOMAC accredited children's homes, registered with council on an annual basis. A sworn affidavit must accompany the application indicating the number of people normally accommodated at the facility			
Step 1 (0 to0.6 kls)	-	-	**-**
Step 2 (above 0.6kls)	10.09	0.62	**10.71**

Old Aged Homes as defined			
Registered old aged homes as defined. A sworn affidavit must accompany the application indicating the number of people normally accommodated at the facility			
Step 1 (0 to0.6 kls)	-	-	**-**
Step 2 (above 0.6kls)	10.09	0.62	**10.71**

12.4 Septic tank clearance

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
Septic Tank Clearing			
UTILITY SERVICES - SANITATION TARIFFS (SEWERAGE REMOVAL)			
Domestic / Households Full - Standard			
Septic tank clearing per load	400.00	56.00	**456.00**
Commercial - per Load			
Water supplied to premises predominantly of a commercial nature	400.00	56.00	**456.00**
Industrial - Per Load			
Water which is used in manufacturing, generating electricity, land-based transport, construction or any related purpose	400.00	56.00	**456.00**
Government - Per load			
National and Provincial Departments	400.00	56.00	**456.00**
Schools / Sport Bodies / Churches / Charities – Per Kl			
Any educational activity / sporting activity / religious activity / charitable activity	12.61	1.77	**14.38**
Additional Charges (for all the above categories)			
Labour - Charged per person	44.90	2.74	**47.64**

Travel Expenses - Charged per kilometer	8.00	0.49	**8.49**

13. TARRIFFS FOR MUNICIPAL HEALTH SERVICES/ ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES

13.1 CERTIFICATES

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1%)	CHDM Proposed Tariff after CPIX (6,1%) Increase for 2017/2018
MUNICIPAL HEALTH SERVICES / ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES			
CERTIFICATES			
Certificate of Acceptability (CoA) (FCD Act)			
New Application	R 250	R 15.25	**R 265.25**
Review	R 100	R 6.10	**R 106.10**
Renewal	R 100	R 6.10	**R 106.10**
Certificate of Unsound Foodstuffs (Condemns Certificate)	R200/hour	R12,20/hour	**R212,20/hour**
Health Certificate (HA) (H. Act)			
New Application	R 150	R 9.15	**R 159.15**
Review	R 100	R 6.10	**R 106.10**
Renewal	R 100	R 6.10	**R 106.10**
Certificate of Competence (CoC) (H. Act)			
New Application	R 250	R 15.25	**R 265.25**
Review	R 100	R 6.10	**R 106.10**
Renewal	R 100	R 6.10	**R 106.10**
Application for Exhumations and Re-Burials	R 250	R 15.25	**R 265.25**
RE-Issue of Certificates			
New Application	R 100	R 6.10	**R 106.10**
Review	R 100	R 6.10	**R 106.10**
Renewal	R 100	R 6.10	**R 106.10**
Request for Re-Inspection or Special Inspections	R 200	R 12.20	**R 212.20**
Illegal Transport of Foodstuffs (FCD Act)	R 200	R 12.20	**R 212.20**
Application for Selling of Foodstuffs during Public Events	R 100	R 6.10	**R 106.10**

Meat Safety Inspections (MS Act)	R250/hour	R15.25/hour	**R265.25/hour**

13.2 VECTOR CONTROL

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
MUNICIPAL HEALTH SERVICES / ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES			
VECTOR CONTROL			
Vector control per occurrence	R 300.00	18.30	**318.30**

13.3 ENVIRONMENTAL POLLUTION CONTROL

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1 %)	CHDM Proposed Tariff after CPIX (6,1 %) Increase for 2017/2018
MUNICIPAL HEALTH SERVICES / ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES			
ENVIRONMENTAL POLLUTION CONTROL			
Waste water spillages	R 500	30.50	**530.50**
Noise control			
Residential	R 500	30.50	**530.50**
Commercial	R 600	R 36.60	**636.60**

13.4 ATMOSPHERIC EMISSIONS LICENCES

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1%)	CHDM Proposed Tariff after CPIX (6,1%) Increase for 2017/2018
MUNICIPAL HEALTH SERVICES / ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES			
ATMOSPHERIC EMISSIONS LICENCES			
1 unit of listed activities			
New Application	R 1,500.00	R 91.50	**R 1,591.50**
Review	R	R 61.00	**R 1,061.00**

	1,000.00		
Renewal	R 1,000.00	R 61.00	**R 1,061.00**
Transfer	R 500.00	R 30.50	**R 530.50**
2 to 5 units of listed activities			
New Application	R 2,500.00	R 152.50	**R 2,652.50**
Review	R 1,500.00	R 91.50	**R 1,591.50**
Renewal	R 1,000.00	R 61.00	**R 1,061.00**
Transfer	R 500.00	R 30.50	**R 530.50**
6 to 10 units of listed activities			
New Application	R 3,500.00	R 213.50	**R 3,713.50**
Review	R 2,500.00	R 152.50	**R 2,652.50**
Renewal	R 1,000.00	R 61.00	**R 1,061.00**
Transfer	R 500.00	R 30.50	**R 530.50**
11 and more units of listed activities			
New Application	R 4,500.00	R 274.50	**R 4,774.50**
Review	R 3,500.00	R 213.50	**R 3,713.50**
Renewal	R 1,000.00	R 61.00	**R 1,061.00**
Transfer	R 500.00	R 30.50	**R 530.50**

13.5 WATER QUALITY – LABORATORY

TARIFFS	CHDM Current Tariff 2016/2017	CPIX Increase (6,1%)	CHDM Proposed Tariff after CPIX (6,1%) Increase for 2017/2018
MUNICIPAL HEALTH SERVICES / ENVIRONMENTAL MANAGEMENT AND WATER QUALITY SERVICES			
WATER QUALITY - LABORATORY			
BACTERIOLOGICAL ANALYSIS			
E .coli (count/100ml)	R 92.00	R 5.61	**R 97.61**
Faecal Coliform Count (count/100ml)	R 75.00	R 4.58	**R 79.58**
PHYSICAL & ORGANOLEPTIC ANALYSIS			

pH	R	20.72	R	1.26	**R**	**21.98**
Turbidity	R	12.25	R	0.75	**R**	**13.00**
Electrical Conductivity	R	16.87	R	1.03	**R**	**17.90**
Chlorine	R	6.45	R	0.39	**R**	**6.84**
Total Dissolved Solids (TDS)	R	41.65	R	2.54	**R**	**44.19**
Suspended Solids	R	31.36	R	1.91	**R**	**33.27**
CHEMICAL ANALYSIS						
Fluoride	R	70.22	R	4.28	**R**	**74.50**
Nitrate	R	88.26	R	5.38	**R**	**93.64**
Ammonia	R	67.20	R	4.10	**R**	**71.30**
Chemical Oxygen Demand (COD)	R	140.00	R	8.54	**R**	**148.54**
Phosphate	R	74.93	R	4.57	**R**	**79.50**
Sulphate	R	70.22	R	4.28	**R**	**74.50**

14. PROPOSAL TO IMPLEMENT ADDITIONAL TARIFFS FOR FINES ON ENVIRONMENTAL IMPACT RELATED ACTIVITIES AND SERVICES RENDERED

TARIFFS	CHDM Proposed Tariff for 2017/2018
PROPOSAL TO IMPLEMENT ADDITIONAL TARIFFS FOR FINES ON ENVIRONMENTAL IMPACT RELATED ACTIVITIES AND SERVICES RENDERED	
PROPOSAL FOR FINES ON ACTIVITIES HAVING AN ENVIRONMENTAL IMPACT - LAW ENFORCEMENT OFFICERS (EHP'S)	
Environmental Pollution – (Municipal Boundaries) - Relating to Environmental pollution created during protest Action	R 20,000.00
Air pollution - Residential	R 2,500.00
Air pollution – Commercial	R 5,000.00
Trading without COA (Certificate of Acceptability)	R 250.00
Environmental pollution (Waste Water)	R 10,000.00
Illegal transport of Meat	R 250.00
Illegal transport of Milk	R 250.00
Illegal keeping of Animals	R 500.00
Illegal trading – Pesticides / Chemicals	R 250.00
PROPOSAL FOR ADDITIONAL TARIFFS FOR SERVICES RENDERED	
Issuing of Water & Sanitation Clearance Certificates	R 150.00
RE-Issuing of Water & Sanitation Clearance Certificates	R 100.00
Re-Connection/Re-Activation of Water Meter (Change in ownership/user)	R 350.00
Sewerage 'Dump'/'Deposit' into CHDM Waste Water Treatment Works (per dump/deposit)	R 400.00

CHDM GRANTS ALLOCATIONS BUDGET FOR 2017-2020

	MIG CAPITAL PROJECTS FOR 2017/18-2018/19-2019/20			
MUNICIPALITY	**PROJECTS**	**2017/18**	**2018/19**	**2019/20**
	Cluster 1 Waterbacklog (Wards 7,8 ,10,13,14)			
	Water Backlog CHDM Cluster 1 Mhlanga Water Supply	**R 20 054 810.00**	**R 20 000 000.00**	**R 2 000 000.00**
	Water Backlog CHDM Cluster 1 Mhlanga and Mgwalana Bulk Water Supply		R 4 303 772.00	R 15 625 325.00
	Cluster 2 Water Backlog (Wards 1,2,4&6)			
	Cluster 2 Water backlog Project - Regional Scheme 3: Phase 1A	R 131 000.00		
	Cluster 2 Water backlog Project - Regional Scheme 3: Phase 1B	R 171 000.00		
	Cluster 2 Water backlog: Regional Scheme 6 - Xonxa	R 100 000.00		
	Cluster 2 Water backlog Project - RS1 Phase 1: Nkolonga, Sikhwanqeni Water Supply	R 210 000.00		
	Region 3 Sanitation Backlog			
	Cluster 4 sanitation (Wards 2,3,4,5,15,16,Vukani Guba,& Percy Villages)	**R 5 000 000.00**	**R 5 000 000.00**	**R 5 000 000.00**
	Cluster 3 Sanitation(Wards 7,8,9,10,11,12,13& 14)			
	Dodrecht Water and Sanitation Services			
	Immediate Water Supply Upgrades	R 7 500 000.00		
	Internal Sewer Reticulation in Tyoksville (Herry Gwala)			R 5 000 000.00
	Upgrading of Wastewater Treatment Works - Phase 2B: Planning	R 2 000 000.00		
	Upgrading of Wastewater Treatment Works - Phase 2B: Implementation		R 2 937 180.00	R 5 000 000.00
	Upgrading of Bulk Sewer and Reticulation -Phase 2 C: Planning	R 937 180.00	R 1 062 820.00	R 2 000 000.00
	Upgrading of Bulk Sewer and Reticulation -Phase 2 C: Implementation			R 1 000 000.00
	Upgrading of Water Treatment Works - Phase 3	R 0.00	R 1 000 000.00	R 2 000 000.00
	Upgrading of Bulk Water Supply -Phase 4: Planning	R 0.00	R 4 000 000.00	R 2 000 000.00
	Upgrading of Bulk Water Supply -Phase 4: Implementation		R 0.00	R 1 000 000.00
TOTAL EMALAHLENI LM		**R 36 103 990.00**	**R 38 303 772.00**	**R 40 625 325.00**
	Molteno Sewer Bulk	R 11 886 150.00	R 20 000 000.00	R 10 000 000.00
	Molteno Oxidation Ponds	R 7 000 000.00		
	Upgrading of Molteno Oxidation Ponds : Rehabilitation of Existing Ponds Walls			
TOTAL ENOCH MGIJIMA LM		**R 18 886 150.00**	**R 14 732 220.00**	**R 15 625 125.00**

Intsika Yethu				
	Ward 8 Sanitation	R 0.00	R 5 000 000.00	R 1 000 000.00
	Ward 3 Sanitation VIP toilets(1230 H/H)_Cofimvaba EU Sanitation	R 8 531 664.85	R 1 000 000.00	R 0.00
	Intsika Yethu Sanitation - Amanzabantu	R 0.00	R 2 000 000.00	R 7 000 000.00
	Cofimvaba Bulk Water and Sewer Services	R 500 000.00	R 1 500 000.00	R 14 000 000.00
	Cluster 2 Water backlog(Ward1,4,5,6,7)			
	Regional Scheme 4 Phase 1B	R 2 491 477.33	R 300 000.00	
	Regional Scheme 5 Phase 1			
	Regional Scheme 5 Phase 3	R 9 000 000.00	R 9 000 000.00	R 8 000 000.00
	Regional Scheme 2 Phase 1	R 9 000 000.00	R 21 021 768.00	R 8 686 405.00
	Tsomo Rdp 2 (Quatsa water supply)	R 2 000 000.00		
	Cluster 6 Sanitation (Wards 1,2,3,4,6,7,8,9,22 & 23)	R 3 500 000.00	R 3 000 000.00	R 3 000 000.00
	Cluster 7 Sanitation (Wards 10,11,12,14 & 20)	R 3 500 000.00	R 3 000 000.00	R 3 000 000.00
	Cluster 8 Sanitation (Wards 15,16,17,18,19)	R 3 500 000.00	R 3 000 000.00	R 3 000 000.00
	Tsomo Bulk Services(New Housing Development In Tsomo)	R 4 096 687.17	R 1 500 000.00	R 7 000 000.00
	Cluster 4 Water Backlog			
	Cluster 4 Ncora Zone A villages	R 4 479 230.65		
	Kwamzolo Water Supply	R 7 000 000.00	R 5 000 000.00	R 1 564 145.00
	Gesini B Water Supply (Vuyisile Mini)	R 3 500 000.00	R 3 000 000.00	R 500 000.00
	Ncora Flats Reticulation		R 6 500 000.00	R 12 000 000.00
Total Intsika Yethu LM		**R 61 099 060.00**	R 64 821 768.00	R 68 750 550.00
Inxuba Yethemba				
	Cradock Bulk Services(Water and Sanitation)	R 2 000 000.00	R 30 000 000.00	R 30 000 000.00
TOTAL INXUBA YETHEMBA LM		**R 2 000 000.00**	**R 14 732 220.00**	**R 15 625 125.00**
	RA 60 Hewu Bulk Water Supply (phase 6)	R 50 000.00		
	RA 60 Hewu Bulk Water Supply (phase 7)	R 17 000 000.00	R 20 000 000.00	R 30 000 000.00
	Rathwick Water and Sanitation			
	New Rathwick bulk services Phase 3A	R 40 000.00		
	New Rathwick bulk services Phase 3B	R 40 000.00		
	New Rathwick bulk services Phase 4 pumpstation	R 14 228 450.00		
	New Rathwick bulk services Phase 5 Water Treatment Works	R 500 000.00	R 25 000 000.00	R 5 000 000.00
	New Rathwick bulk services Phase 6 Resevoir and Pipeline			
	Ilinge Bulk Services	R 800 000.00	R 30 000 000.00	

	Cluster 1 Water backlog (ward 27)			
	Cluster 1 Water supply backlog - lesseyton			
	Cluster 1 Water supply backlog - Zingquthu	R 300 000.00		
	Cluster 1 Water supply backlog phase 2	R 700 000.00	R 15 000 000.00	
	Cluster 1 Sanitation (Wards 5,11,12,13,14,18,27	R 2 000 000.00		
	Cluster 2 Sanitation (Wards 1,2,3,4,6,23,19,20,23,24,25,26,	R 6 000 000.00		
TOTAL ENOCH MGIJIMA LM		**R 41 658 450.00**	**R 44 196 660.00**	**R 46 875 375.00**
	Engcobo treatment works	R 0.00	R 27 850 294.33	R 34 000 000.00
	Extension 11 Bulk Services	R 0.00	R 0.00	R 2 000 000.00
	Cluster 5 Water Backlog		R 0.00	R 1 712 505.00
	Zadungeni and Luthuthu Water Supply	R 7 000 000.00		
	Cluster 6 Water Backlog(Ward 9,13,15,16))	R 2 500 000.00		
	Lokshini Villages Water Supply Phase 1	R 2 000 000.00		
	Dulati ,Ntshinga and Nqancule Villages Water Supply	R 14 675 040.97	R 1 500 000.00	R 0.00
	Gubenxa Villages internal water supply	R 2 500 532.09	R 10 038 045.00	R 16 038 045.00
	Lokshini Villages Water Supply Phase 2	R 0.00	R 6 000 000.00	R 7 000 000.00
	Lixeni, Ncityana & Kumbeke Village Retic	R 0.00	R 7 005 800.00	R 3 000 000.00
	Cluster 7 Water Backlog(Ward 7,8,9,10,11,15)	R 2 500 000.00		
	Msintsana Phase 2 Project	R 500 000.00	R 0.00	R 0.00
	Skobeni water supply	R 0.00	R 0.00	R 0.00
	Construction of Dam	R 0.00	R 1 969 120.41	R 1 000 000.00
	Bulk Pipeline & Bulk Reservoirs	R 0.00	R 1 503 108.42	R 1 000 000.00
	Abstraction Works	R 0.00	R 1 530 561.16	R 1 000 000.00
	Water Treatment Works	R 0.00	R 2 424 838.68	R 1 000 000.00
	Cluster 8 Water backlog(Ward 16,17,18)	R 0.00	R 5 000 000.00	R 1 000 000.00
	Tora Water Treatment Works	R 16 423 486.94	R 0.00	R 0.00
	Lunda Village Reticulation Project	R 4 000 000.00	R 0.00	R 0.00
	Cluster 9 Sanitation (Wards 1,2,3,4 & 6)	R 3 000 000.00	R 0.00	R 0.00
	Cluster 10 Sanitation (Wards 7,8,,10,11 &12)	R 3 000 000.00	R 0.00	R 0.00
	Cluster 11 Sanitation (Wards 13,15 & 16)	R 3 000 000.00	R 0.00	R 0.00
TOTAL ENGCOBO LM		**R 61 099 060.00**	**R 64 821 768.00**	**R 68 750 550.00**
	Elliot Waste Water Treatment Works			
	Upgrading of the Elliot Waste Water Treatment Works	R 3 578 265.00		
	Construction of Pump Station with Bulk Collector Sewers - Phase 2			R 15 000 000.00
			R 14 277 057.76	R 15 000 000.00
	Region 3 Sanitation Backlog		R 9 000 000.00	

	Cluster 5 Sanitation (Wards 2,3,4,7 and Taleni)	R 500 000.00		R 8 688 325.00
			R 2 908 888.82	
	Cluster 4 waterbacklog(Wards 6,7,& 4)			
	Mthingwevu Water Supply Scheme	R 16 368 745.00		**R 1 937 000.00**
	Upper Lufutha Interim Water Supply	R 5 166 980.00	R 12 117 825.42	
	Upper Lufutha Ext (Mbodlana) Interim Water Supply	R 5 000 000.00		
	Cala Bulk Water and Sanitation Services			
	upgrading of Cala Wastewater Treatment Works - Phase 1	R 4 600 000.00		
	upgrading of Cala Bulk Gravity Collector Sewers - Phase 2	R 890 000.00		
	upgrading of Cala Bulk Gravity Collector Sewers - Phase 3			
TOTAL SAKHISIZWE LM				
	Cluster 1 Sanitation (Ward 2 & 3	R 3 000 000.00		
	Rehabilitation of Sewer Ponds-Hofmeyer	R 1 000 000.00	R 15 000 000.00	R 15 000 000.00
	Tarkastad Bulk Services	R 500 000.00		
	Upgrade of Sewer Bulk Services Hofmeyer (Pump Station)	R 9 386 150.00		
TOTAL ENOCH MGIJIMA LM		**R 13 886 150.00**	**R 14 732 220.00**	**R 15 625 125.00**
GRAND TOTAL ALLOCATION		R 292 340 000.00	R 310 152 000.00	R 328 950 000.00

WATER SERVICE INFRASTRUCTURE GRANT				
MUNICIPALITY	**PROJECT**	**2017/18**	**2018/19**	**2019/20**
EMALAHLENI	**Cluster 2 Water Backlog**			
	Cluster 2 (Jiputa/Makhikhi; Emazimeni ;Emaqwathini ;Noluthando/Emagefaneni; Lukhavana) - Phase 2	R 13 547 837	1 000 000.00	-
	Cluster 2 RS 1 - 1B (Gcina ;Qumbu ;Hala ;Mbetheni ;Kuliweni ;Xhibeni and Lokishini)- Phase 1		20 000 000.00	15 000 000.00
	Gqebenya Small Farms Interim Water Supply		6 500 000.00	4 500 000.00
	Mdeni Interim Water Supply	R 5 544 000	4 612 954.00	
	Cluster 2 Water backlog Project - Regional Scheme 3: Luthuthu Water Supply		1 500 000.00	6 730 888.00
	Cluster 2 Water backlog Project - Regional Scheme 3: Phase 1C		8 000 000.00	7 901 492.00
	Cluster 2 Water backlog Project - Regional Scheme 3: Phase 1D		7 500 000.00	7 417 620.00
	Refurbishment of Dordrecht WTW		5 700 000.00	
	Water Conservation and Demand Management at Dordrecht		6 400 000.00	
TOTAL EMALAHLENI		**R 19 091**	**R 61 212**	**R41 550 000.00**

		837.00	**954.00**	
	Cluster 4 Water Backlog			R 14 000 000.00
	Cluster 4 (Lower Langanci; Upper Indwana; Upper Mnxe) -Phase 2	R 96 000	R 8 316 046.00	R 450 000.00
	Elliot: Polar Park Water Services			
	Elliot: Polar Park Water Services - Phase 4	R 6 000 000	R 1 500 000	R 0
	Gubenxa and Maxongo's Hoek Interim Water Supply		R 5 000 000	R 7 500 000
	Refurbishment of Cala Bulk Water		R 2 500 000.00	R 2 500 000.00
	Water Conservation Management Elliot Old Location		R 2 500 000.00	R 2 500 000.00
TOTAL SAKHISIZWE		**R 6 096 000.00**	**R 19 816 046.00**	**R 26 950 000.00**
	Cluster 4 Water Backlog			**R 15 000 000.00**
	Cluster 4 (Gesini Kwamzola;Melika Matlanyile A&BNgqara;Mtshabe Mdeni T Mhlahlane F Ezantsi C Jerusalem A;Mgingqini A - Phase 2	R12 082 353.57	R12 485 000.00	R12 000 000.00
	Tsomo RDP3 Water Supply			
	Tsomo RDP3 (East Bank;Daza; Ntenza;Vrystad;Zolo			
	Tsomo RDP3 (East Bank;Daza; Ntenza;Vrystad;Zolo - Phase 2	R 7 873 842.02		
	Cluster 2 Water Supply			
	Refurbishment of Tsojana Bulk Line			R3 000 000.00
TOTAL INTSIKA YETHU LM		**R 19 956 195.59**	**R12 485 000.00**	**R 30 000 000.00**
			-	-
	Cluster 7 Water Backlog			
	Cluster 7 (Eluhweni-Vetyu; Nkwenkwana A; Malanganzana; Qoloweni E; Mbilini; Eqoloweni A; Mqanda B,C	R 4 314 756.36	-	-
	Cluster 7(Didi Water Supply)	R 3 441 211.05		
	Cluster 8 Water Backlog			
	Cluster 8 (Nquthura; Chaba E,D;Nxamagele A,B; Emqonci; Ndlunkulu A	R 4 600 000.00	R 2 000 000.00	
	Cluster 6 Water Backlog		R 250 000.00	-
	Cluster 6 (Mnyolo;Zabura;Ndlunkulu B;Sandile A; Kusandile)	R13 000 000.00	R 250 000.00	
	Region 1 Sanitation Backlog	R 5 000 000	R 500 000.00	R5 000 000
	Augmentation of Engcobo Rural Scheme	R 2 500 000.00	R 2 500 000.00	R 2 500 000.00
	Augmentation of Qitsi Rural Scheme			
TOTAL ENGCOBO		**R 32 855 967.41**	**R 9 750 000.00**	**R 7 500 000.00**
	Rosmead Package Plant WWTW			
	Rosmead Sewer Network Connection	R2 000 000.00	R2 000 000.00	
TOTAL INXUBA LM		**R2 000 000.00**	**R2 000 000.00**	

	Augmentation of Tarkastad Scheme		R 2 000 000.00	R2 000 000.00
TOTAL ENOCH MGIJIMA LM			**2 000 000.00**	R 2 000 000.00
GRAND TOTAL		**R80 000 000.00**	**R 107 264 000.00**	**R 108 000 000.00**
	CAPITAL RBIG PROJECTS			
	Cluster 9 Water backlog (Ward 13)	R 95 000 000.00	R 75 000 000.00	R 7 000 000.00
	Tsomo WTW and abtraction works	R 118 202 283.00		
	Tsojana Southern bulk			
	Cluster 4 Water Backlog	R 45 000 000	R 40 000 000	R 8 000 000
	Ncora Water Treatment Works			
	Lubisi Bulk Pipeline from Skhungwini to Ndonga	R 26 138 400		
	Lubisi Bulk Pipeline from Ndonga to Lady Frere			
	Construction of bulk rising main to cluster 5			
	lubisi wtw and buklines	R 11 904 494		
	Gugwini reservoir	R 6 957 107		
	Primary pipeline to Zone B Reservoir at Ngxabangu			
TOTAL INTSIKA YETHU LM		**R 303 202 283**	**R 115 000 000**	**R 15 000 000**
	Augment Queenstown water supply(Xonxa)			
	Phase 3 Pumping Main			
	Phase 4 Gravity Main			
	Phase 5 mechanical electrical			
	Phase 6 machibini	R 23 000 000		
		R 3 000 000		
TOTAL ENOCH MGIJIMA		**R 26 000 000**	**R 7 000 000**	**R 5 000 000**
	Cluster 6 Water Backlog(Ward 9,13,15,16))	R 35 000 000.00	R 7 000 000.00	R 5 000 000.00
	Gqaga water treatment works			
	Gqaga rising main East			
	Gqaga rising main West			
	Sitholeni Bulk			
	Kumbeke and Hlophekazi Bulk Supply			
	Lokishini Bulk Supply Line			
TOTAL ENGCOBO LM		**R 35 000 000**	**R 7 000 000**	**R 5 000 000**
	Hofmeyer Water Supply	R 500 000	R 0	R 0
Total ENOCH MGIJIMA		**R 500 000**	**R0**	**R0**
	Middelburg Water Provision	R 7 000 000	R 3 000 000	R 0

TOTAL INXUBA LM		**R 7 000 000**	**R 3 000 000**	
GRAND TOTAL ALLOCATION		**R 371 702 283**	**R 132 000 000**	**R 25 000 000**
	Road Asset Management	R 3 286 000.00	R 3 427 000.00	

CHAPTER 7

PERFOMANCE MANAGEMENT SYSTEM

Introduction

Section 152 of the Constitution of the Republic of South Africa, Act 108 of 1996 (the Constitution) defines the objects of local government and further, in terms of Section 153, imposes upon municipalities specific developmental duties that each municipality should strive to realise. With respect to the former, the Constitution suggests that a municipality must:

a) Provide democratic and accountable government for communities;
b) Ensure the provision of services to communities in a sustainable manner;
c) Promote social and economic development;
d) Promote a safe and healthy environment; and
e) Encourage the involvement of communities and community organisations in the matters of local government.

The Constitution prescribes that municipalities must strive within their financial and administrative capacity to achieve such objects. In relation to the duties of municipalities, the Constitution prescribes that a municipality must:

a) Structure and manage its administration and budgeting and planning processes to give priority to the basic needs of the community, and to promote the social and economic development of the community; and
b) Participate in National and Provincial development programmes.

To ensure that the Chris Hani District Municipality (CHDM) complies with these pieces of legislation and that it delivers on the needs of its communities in an effective, efficient and economical manner, the CHDM has formulated strategic plans, allocated resources for the implementation of those plans and through this policy, seeks to develop a mechanism to monitor and measure the performance of the institution, inclusive of all its administrative units, against the set plans.

As the key to the success of the municipality in all its endeavors, performance management equips leaders, managers, workers and stakeholders with a set of tools and techniques for regularly planning, continuously monitoring and periodically measuring and reviewing the performance of CHDM in terms of the indicators and targets for effectiveness.

1.2 Purpose and Objectives

The primary purpose of this policy is to give effect to the performance management system as prescribed in various pieces of legislation. Through the translation of the municipality's vision, mission and objectives into measurable performance outcomes, the policy aims to provide a guide in terms which the performance of the institution and its administrative units can be measured, improved and/or maintained in order to improve service delivery.

To this end, the policy seeks to:

a) Create a frame of reference which clearly guides political office bearers and municipal officials in the interpretation and application of performance management mechanisms in the CHDM;
b) Clarify the roles and responsibilities of all stakeholders during the various performance management processes;
c) Establish a universal performance management language thus promoting consistency and commonality in the application of concepts;
d) Promote a culture of accountability, responsibility and performance excellence;
e) Enhance the development of human capital; and
f) Ensure recognition and reward for performance excellence.

Apart from the legislative adherence that this policy seeks to ensure, it further seeks to create a frame within which the municipality can plan, monitor, review and improve the implementation of Council's Integrated Development Plan. In doing so, it will fulfil the following functions:

1. **Facilitate increased accountability**

   The performance management system will provide a mechanism for ensuring increased accountability between:

   - The residents of the CHDM and Council,
   - The political and administrative components of Council,
   - Each department and the executive office

2. **Facilitate learning and improvement**

   While ensuring that accountability is maximized, the performance management system must also provide a mechanism for learning and improvement. It should allow for the municipality to know which approaches are having the desired impact, and enable the municipality to improve delivery. It should form the basis for monitoring, evaluating and improving the Integrated Development Plan.

3. **Provide early warning signals**

   The performance management system should provide Managers, the Municipal Manager, Committees of Council and the Mayoral Committee with early warning of non-performance of the full implementation of the Integrated Development Plan. It is important that the system ensures decision-makers are timeously informed of possible non-performance, so that they can facilitate intervention, if necessary.

4. **Facilitate decision-making**

   The performance management system should provide appropriate management information that will allow efficient, effective and informed decision-making, particularly on the allocation of resources.

1.3 Policy Scope and Key Principles

The Policy applies to all Councillors, the Municipal Manager including those managers appointed in terms of Section 56 of the Local Government: Municipal Systems Act, 32 of 2000, (CHDM Directors/Heads of Department) as well as categories of CHDM officials as determined by Council. Furthermore, this policy applies to the CHDM entity, the Chris Hani Regional Development Agency (CHDA) and its category of officials as determined by the CHDA Board.

The application of the PMS Policy will be based on the following principles:

a) **Simplicity:** The system must be a simple user-friendly system that enables Council and its external stakeholders to operate it within the existing resource capacity;

b) **Politically Driven:** Legislation clearly tasks Council as the owner of the performance management system. The Municipal Manager will need to drive both the implementation and improvement of the system and may delegate responsibilities in this regard;

c) **Incremental Implementation:** It is important that while a holistic performance management system is the ultimate objective, Council could adopt a phased approach to implementation, dependent on the capacity and resources of the municipality. The performance management system will need to be constantly improved based on its workability;

d) **Transparency and Accountability:** The process of managing performance should be inclusive, open and transparent. Citizens should know how departments are run, how resources are spent, and who is in charge of particular services. Similarly, all information on the performance of departments should be accessible to other managers, employees, the public and specific interest groups;

e) **Integration:** The performance management system should be integrated into other management processes of Council, such that it becomes a tool for more efficient and effective management rather than an additional reporting burden. It should be seen as a central tool for ongoing management functions;

f) **Objectivity:** Performance management must be founded on objectivity and should be democratic in pursuance of its objectives. Both the processes of managing performance and the information on which it relies need to be objective and credible. It should promote mutual respect, trust and ensure high levels of co-operation and discipline in the dealings of municipal people among one another; and

g) **Clear and Accountable:** The intentions of Council's performance management system must be made clear and acceptable especially to its officials, councillors and customers. Concerns and fears about the system must be heard and addressed appropriately to minimise suspicions and maximise the understanding and acceptance of change. International author of public sector management literature Norman Flynn (113:1990) agrees that," the first imperative is to ensure that the purposes for measuring performance are clear and accepted by everyone. If measurements, especially of costs, are to be used punitively, then they will create a different atmosphere than if they are to be used creatively to help people improve their performance".

1.4 Legislative Context

Performance management in local government is a legislated business process with various statutes regulating the application thereof within municipalities. This Policy must thus be applied consistently with the regulatory framework as summarized below:

The Constitution, Act 108 of 1996

- The Constitution provides that municipalities in South Africa must:
- Provide democratic and accountable government for local communities;
- Ensure the provision of services to communities in sustainable manner;
- Promote social and economic development;
- Promote a safe and healthy environment;
- Encourage the involvement of communities and community organisations in the matters of local government.

The performance of municipalities must be monitored and managed to ensure the achievement of these constitutional provisions**.**

White Paper on Service Delivery (Batho Pele) 1998

The performance management system must be based on and should give effect to the eight Batho Pele principles of improved service delivery as outlined in and required by the White Paper on Service Delivery. The principles are as follows:

- Consultation;
- Service Standards;
- Access;
- Courtesy;
- Information;
- Openness/ Transparency;
- Redress; and
- Value for Money.

The Local Government: Municipal Structures Act, 117 of 1998

Section 19 (1) of the Act specifies that a municipal council must strive within its capacity to achieve the objectives set out in section 152 of the Constitution and annually review its overall performance in achieving those objectives.

Section 44 (3) states the executive committee, in performing its duties, must :

(a) Identify and develop criteria in terms of which progress in the implementation of the

strategies, programmes and services rendered to communities can be evaluated, including key performance indicators which are specific to the municipality and common to local government in general;

(b) Evaluate progress against the key performance indicators;

(c) Review the performance of the municipality in order to improve –

i. The economy, efficiency and effectiveness of the municipality;

ii. The efficiency of credit control and revenue and debt collection services; and

iii. The implementation of the municipality's by-laws

The Local Government: Municipal Systems Act, 32 of 2000 (MSA)

- The MSA sets out the legal framework for performance management as a means to measure, evaluate and report on the implementation of the Integrated Development Plan (IDP):
- Chapter 6 of the MSA provides for the establishment, monitoring and review of the performance management system as well as reporting on the organisational performance achievements against the IDP indicators and targets.
- Section 57 of the MSA requires the Municipal Manager and the managers directly accountable to the Municipal Manager (Section 57 employees) to sign annual performance agreements and plans, with a set of performance measures to assess individual achievement against the plans. The performance plans must be aligned to the SDBIP that are based on the IDP.
- According to section 67 of the MSA, a municipality must implement systems and procedures to ensure fair, efficient, effective and transparent personnel administration, including the monitoring, measuring and evaluating of staff performance
- The MSA, in section 81(b), states that the municipality must monitor and assess the performance of a service provider (or municipal entity) in implementing the service delivery agreement (where applicable).
- Section 26 of the *Local Government: Municipal Systems Amendment Act, 44 0f 2003* provides that a parent municipality which has sole control of a municipal entity or effective control in the case of a municipal entity which is a private company:

(a) Must ensure that annual performance objectives and indicators for the' municipal entity are established by agreement with the municipal entity and included in the municipal entity's multi-year business plan n accordance with section *87(5)(d)* of

the Municipal Finance Management Act; and

(b) Must monitor and annually review as part of the municipal entity's annual budget process as set out in section 87 of the Municipal Finance Management Act, the performance of the municipal entity against the agreed performance objectives and indicators.

The Local Government: Municipal Finance Management Act, 56 of 2003 (MFMA)

The MFMA contains various provisions relating to municipal performance management. It requires municipalities, in annual budget approval, to adopt an SDBIP with service delivery targets and performance indicators and compile an annual report, which must include a performance report compiled in terms of the MSA.

- Pertinent provisions include:
- Section 16(2) requires that the municipality's annual budget to be accompanied by measurable performance objectives for revenue from each source and for each vote in the budget, taking into account the IDP.
- Section 53(1)(c) provides for the Mayor to ensure that performance agreements of Section 57 employees comply with the requirements of the MSA to promote sound financial management and are linked to the measurable performance objectives approved with the budget and included in the SDBIP.
- In terms of section 72 (1) (a) (iv), the accounting officer of a municipality must, by 25 January of each year, assess the performance of the municipality during the first half of the financial year, taking into account the performance of every municipal entity under the sole or shared control of the municipality, taking into account reports from any such entities.
- The MFMA, section 165 (2) (b), requires each municipality and municipal entity to have an internal audit unit to advise the accounting officer and report to the audit committee on the implementation of the internal audit plan and matters relating to, inter alia, performance management.
- In turn, section 166 requires each municipality and municipal entity to have an audit committee to advise the municipal council, accounting officer and the management staff of the municipality, or the board of directors, the accounting officer and the management staff of the municipal entity, on matters relating to inter alia, performance management and performance evaluation.

The Local Government: Municipal Performance Management Regulations, 2001
In 2001 the Minister responsible for local government published the Local Government: Municipal Planning and Performance Management Regulations, in terms of section 49 of the MSA. The Regulations provide for municipalities to ensure that the PMS complies with the requirements of the MSA, demonstrate the operation and management of the PMS, clarify roles and responsibilities, as well as ensure alignment with employee performance management and the IDP processes.

Local Government: Municipal Performance Regulations for Municipal Managers and Managers Directly Accountable to Municipal Managers, 2006
In 2006, a set of regulations was promulgated for Municipal Managers and Managers directly accountable to the Municipal Manager, setting out how their performance is to be planned, reviewed, improved and rewarded. The regulations provide for the conclusion of performance agreements and plans for these managers.

Skills Development Act, 97 of 1998 (SDA)
The SDA supports occupational development which in turn acts as a catalyst for enhanced performance within the workplace. It provides for the development of specific managerial and occupational competencies which must be aligned to specific jobs, job profiles and consequently Personal Development Plans which form an integral aspect of performance management.

Labour Relations Act, 66 of 1995 (as Amended) (LRA)
The LRA creates an enabling framework for the application of fair labour principles and practices in dealing with capacity challenges in the workplace as outlined in chapter 8.

1.5 Internal Capacity and Stakeholder Roles and Responsibilities

The MSA places responsibility on Council to adopt the performance management system, while holding the Executive Mayor responsible for the development of the system. The Executive Mayor through the systems of delegation assigns these responsibilities to the municipal manager, but remains accountable for the development of the performance management system. The municipal manager may further delegate the responsibility to another senior manager. Therefore it is important that the Council, within its policy framework on delegation, assigns responsibilities accordingly. This must be done in writing. In the assignment letter, the Council should stipulate quite clearly what needs to be done, by whom and when

4.1.1

4.2 MUNICIPAL MANAGER/MANAGER PMS

The Municipal Manager as the ultimate administrative accounting officer has the responsibility, as delegated by the Executive Mayor, of introducing the performance management system and implementing it. The Municipal Manager also has the responsibility of preparing the institution for change. This in effect means ensuring that those to participate in the performance system, including the various internal and external stakeholders, have a common understanding of why performance management is needed and what it will do for the organisation.

This also involves an interpretation of the principles that will govern its development and use. Of importance in this process is the ability of the institution to reach consensus on the manner in which the system will be administered. However, given the intensive nature of the process of implementing the performance management system, this against the many responsibilities attached to the Municipal Manager, it may become necessary that this function is sub-delegated to a manager that is responsible for the introduction and implementation of the performance management system. This manager will report to the Municipal Manager.

4.2.1

4.3 PERFORMANCE MANAGEMENT STRUCTURES: INTERNAL AUDIT AND PERFORMANCE AUDIT COMMITTEE

Section 45 of the MSA has a specific prescription that the results of the measurements of performance (this includes quarterly assessments) must be audited as part of the municipality's internal audit processes and, on an annual basis, be audited by the auditor general. Furthermore, as part of the institutions audit plan, performance measurements must be presented to the performance audit committee to evaluate both the level of performance of the institution as well as the usefulness of the system

4.3.1

4.4 PERFORMANCE MANAGEMENT STRUCTURES: COUNCIL, MAYORAL COMMITTEE AND PORTFOLIO/STANDING COMMITTEES

Council has the ultimate responsibility of reviewing the performance of the Municipal Council, its Committees and the Administration. Through the presentation of the quarterly organisational/strategic scorecard/Institutional Service Delivery and Budget Implementation Plan (SDBIP), Mid-year Performance assessment and Annual Report, the Municipal Council is able to make an assessment of the level of performance of the municipality. Critically, even though the task of developing and approving the SDBIP resides with the Executive Mayor, any amendments to the SDBIP can only be effected by a resolution of Council. As legislative requirements, Council must approve the Annual and Mid-year performance reports of the municipality.

The Mayoral Committee on the other hand should play the most significant role in reviewing the performance of the administration, as the performance management system should be designed to allow this committee to strategically drive and manage performance in the organisation. Reviews at this level should remain strategic so that councillors are not restrained by operational discussions. In order for this review to be strategic the committee must review performance quarterly, with the final quarterly review taking the form of an annual review. The content of the review should be confined to agreed / confirmed priority areas and objectives. The municipal manager should remain accountable for reporting on performance at this level, even if he or she delegates this responsibility to other officials.

Portfolio/Standing Committees need to manage the performance of sectors and functions respective to their portfolios. While it is important that they at least review performance of organisational priorities that lie within their portfolio, it is desirable that they review additional sectoral priorities determined by them. In order to build the role played by standing or portfolio committees, while ensuring that their role remains strategic and not operational, these committees must review performance as often as monthly.

4.5 PERFORMANCE MANAGEMENT STRUCTURES: EXTERNAL STAKEHOLDERS

On a quarterly basis, municipalities must report on performance to communities and other relevant stakeholders. This can be done in a number of ways:

1. Publication of quarterly reports on all accessible media;
2. Presentation of the performance information at IDP forum
3. Conducting public hearings on performance.

Of importance in this regard is to invite all stakeholders to make representations on the information that is published by the municipality. This is to allow these stakeholders to assess/review the performance of the municipality so as to establish whether the public expectations are being met. Tabulated hereon below are the various responsibilities attached to each stakeholder:

STAKEHOLDER	ROLE IN PLANNING	ROLE IN IMPLEMENTATION
Community Structures and IDP Forum	• To be consulted and actively participate in the identification and prioritisation of area needs • Participate in the development of long-term vision for the area • Participate in the setting of indicators and targets	• Must be given the opportunity to review the performance of the municipality and provide feedback in terms of the progress made in realising municipal targets
Council	• Must facilitate the development of a long-term vision for the area • identify priorities of Council for the period • Must facilitate the development of indicators and targets, and adopt agreed upon targets and indicators • Must facilitate the development of strategies for the realisation of the vision and targets set •	• Must approve the IDP and Budget as Municipal strategic and planning documents (approval of targets and indicators) • Must consider the municipality's SDBIP and performance plans of S57 Managers including the Municipal Manager • Must review the performance of the municipality and approve recommendations and amendments where applicable and performance information submitted to other stakeholders
Standing (s79) Committees	• Provide an objective view in terms of the content of the departmental scorecards • Ensure the inclusion of department specific community needs (indicators and targets) in the scorecard	• Consider monthly and quarterly reports on departmental performance as submitted by the departmental director • Approve performance information submitted to other structures (internal and external) • Propose corrective actions to be taken where necessary • Make recommendations to Mayco/Council in terms of the performance of the department
Mayoral Committee (Mayco)	• Oversees the development of the IDP, Budget and Service Delivery and Budget Implementation Plan • Provide strategic direction in terms of the implementation of municipal strategies • Engage relevant stakeholders on the strategies of the municipality	• Conduct reviews of municipal performance (Monthly, quarterly and annually) • Approve performance information submitted to Council and other structures • Propose corrective actions and make recommendations to Council on municipal performance

Top Management	• Manage the development of the IDP, Budget and SDBIP (propose targets and indicators to be included) • Assist Mayco and Council in providing strategic direction of the municipality • Communicate municipal strategies with relevant stakeholders	• Monitor, measure, review and report on performance (monthly, quarterly and annually) • Advise political leadership on performance related issues and provide early warnings • Develop responses to problem areas identified
Sections Head	• Develop performance plans which are aligned to the municipal strategic documents (IDP, Budget, SDBIP)	• Measure and report on performance in terms of agreed performance plans • Compile evidence in support of performance • Implement municipal strategies and intervention plans that may be developed • Provide early warnings
Internal Audit	• Assist in ensuring the relevance and measurability of performance indicators and targets	• Assesses the functionality of the performance management system and the credibility of the performance information submitted • Assist in preparing for external performance auditing • Submit performance audit reports to the Municipal Manger and Performance Audit Committee
Performance Audit Committee	•	• Review the performance reports as submitted by internal audit • Review the performance management system of the municipality and make recommendations to Council, Mayco, Municipal Manager, and Auditors (internal and external) •

1.6 Conclusion

Highlighted hereon above are the key policy principles that underpin the application of the Chris Hani District Municipal Performance Management processes. The Chris Hani District Municipality's Performance Management and Monitoring practices continue to evolve given the dynamic operating environment. Monitoring Evaluation and Reporting Practices are driven from a premise that they are integrally connected and should be pursued in a collaborative manner. Another key objective of this policy and system at large is the extent to which it successfully allows for accurate implementation and tracking of service delivery priorities as articulated in strategic and operational documents. The key measure of its success is the extent to which these have enabled the municipality to progressively achieve its intended short, medium and long term objectives

GLOSSARY OF TERMS

ABET	Adult Based Education and Training
ABSA	Amalgamated Banks of South Africa
AG	Auditor-General
AIDS	Acquired Immune Deficiency Syndrome
CBO	Community Based Organization
CPF	Community Policing Forum
CSIR	Council for Scientific and Industrial Research
DBSA	Development Bank of South Africa
DEAT	Department of Tourism, Environment and Economic Affairs
DEDEA	Department of Economic Development & Environmental Affairs
DFA	Development Facilitation Act No 67 of 1995
DHS	District Health System
DRDLR	Department of Rural development & Land Reform
DLG & TA	Department of Local Government & Traditional Affairs
DM	District Municipality
DIMAFO	District Mayors Forum
DME	Department of Mineral and Energy
DARD	Eastern Cape Department of Agriculture & Rural Development
DoE	Department of Education
DoH	Department of Health
DoSD	Department of Social Development
DoT	Department of Transport
COGTA	Department of Co-operative Governance & Traditional Affairs
DPSS	Department of Public Safety and Security
DRPW	Department of Roads & Public Works
DSAC	Department of Sport, Arts and Culture
DWA	Department of Water Affairs
DAFF	Department of Agriculture, Forestry & Fisheries
ECA	Environmental Conservation Act
EIA	Environmental Impact Assessment
ES	Equitable Share (grant)
FBO	Faith Based Organizations
ECDC	Eastern Cape Development Corporation

PGDP	Provincial Growth & Development Plan
GCIS	Government Communication and Information Systems
GGP	Gross Geographic Product
GIS	Geographical Information System
GTZ	German Technical Cooperation
GVA	Gross Value Added
HDI	Human Development Index
HIV	Human Immune Deficiency Virus
HR	Human Resource
IDC	Independent Development Corporation
IDP	Integrated Development Plan
IDT	Independent Development Trust
ICT	Information Communication Technology
ITP	Integrated Transportation Plan
IWMP	Integrated Waste Management Plan
JOC	Joint Operational Centre
LDO	Land Development Objectives
LED	Local Economic Development
LSA	Local Service Area (Primary Health)
MAYCO	Mayoral Committee
MEC	Member of the Executive Committee
MIG	Municipal Infrastructure Grant
MFMA	Municipal Finance Management Act
MSIG	Municipal Support & Institutional Grant
MSyA	Municipal Systems Act, 2000
MStA	Municipal Structures Act, 1998
NDC	National Development Corporation
NDP	National Development Plan 2030
NEMA	National Environmental Management Act
NER	National Electrification Regulator
NGO	Non Governmental Organizations
NSS	National Sanitation Strategy
PATA	Promotion of Administrative Justice Act
PMS	Performance Management System
PPP	Public Private Partnership

RDP	Reconstruction and Development Programme
REDs	Regional Electricity Distributors
SADC	Southern African Development Community
SALGA	South African Local Government Association
SANDF	South African National Defense Force
SAPS	South African Police Service
SGB	School Governing Body
SMME	Small, Medium and Micro Enterprises
STDs	Sexual Transmitted Diseases
TB	Tuberculosis
UYF	Umsobomvu Youth Fund
VAT	Value Added Tax
VIP	Ventilated Improved Pit (dry sanitation facility)
WSDP	Water Services Development Plan
ASGISA	Accelerated and Shared Growth Initiative of South Africa
BDS	Business Development Services
CASP	Comprehensive Agriculture Support Programme
CHARTO	Chris Hani Regional Tourism Organisation
CHDM	Chris Hani District Municipality
RTP	Responsible Tourism Planning
SLA	Service Level Agreement
SMME	Small Medium and Micron Enterprises
SOE	State Owned Enterprises
SoR	State of Environment Report
Stats SA	Statistics South Africa
SODA	**State of the District Address**
SONA	State of the Nation Address
SOPA	State of the Province Address

IDP 2017-2022 for Council Adoption

The process of approval for this IDP for 2017/2022 IDP involved some consultative sessions/meetings with all stakeholders including: all municipalities planning unit within CHDM, representative forum members, sector departments, internal departments and some comments from MEC for Local Governmen of previous years. After Council approved the 2017-2022 IDP document copy was submitted to MEC for Local Government in the Eastern Cape Province, Provincial Treasury as well as National Treasury for noting as well as to community members for comments as their comments and consultation was critical. By the month of April 2017 IDP/Budget Roashows were conducted to ensure inputs and comments are sought and are taken care of and incorporated on the Final IDP Review. Such inputs from IDP Roadshows were considered as community members are great and important stakeholder.

DECLARATION OF 2017- 2022 CHDM FINAL IDP FOR ADOPTION BY COUNCIL BY MAY 2017

SIGNATURES

22 May 2017

Mr. M. MENE **DATE**

MUNICIPAL MANAGER

22 May 2017

Cllr K. VIMBAYO **DATE**

EXECETIVE MAYOR

0RGANOGRAM

NB !!!!!!!! Be attached for printing